ANNUAL REPORT **21-22**

MANAPPURAM FINANCE LIMITED

Make Life Easy

STANDING STRONG TOGETHER WITH OUR PEOPLE

CONTENTS

To read this report online or to download please log on to

www.manappuram.com

Business Segment Review
High-quality and Diversified Portfolio

Pg. 8

Message from the MD & CEO

Pg. 14

Branding and Marketing
Building a Stronger and Trusted Brand

Pg. 24

Tribute to

V. C. Padmanabhan

Shri V. C. Padmanabhan belonged to the coastal fishing village of Valapad in Malabar district of the erstwhile Madras Presidency. He was committed to uplifting the economically weaker sections of the society, particularly, the farmers, fishermen and agricultural laborers in his community. In 1949, he decided to help the people of his village by setting up his own small business of providing loans against the security of jewelry at affordable rates to those who did not have the capacity to approach banks. Thus, began the story of Manappuram Finance Limited (MAFIL).

From then until now, the Company has won the trust of many customers and has played a pivotal role in taking organized lending to underprivileged people.

Driven by Shri Padmanabhan's values of trust and integrity, Manappuram Finance Limited is transitioning to a full-fledged non-banking financial company (NBFC) that will continue to exceed customer expectations and help them fulfill their aspirations. Our core strengths of customer centricity, stakeholder integrity and quick adoption of top-notch technology for seamless operations will help us stay ahead of the curve.

We will always look up to Shri Padmanabhan and stay true to his values for all our endeavors.

The last two years have been extraordinary with challenges of an unprecedented scale. These were times when our stakeholders, especially our customers who are primarily from the lesser privileged sections, needed us the most.

At Manappuram Finance, we were faced with the dilemma of protecting the business as well as the interest of our stakeholders. We took inspiration from our rich 70+ years legacy which has been a symbol of resilience, having braved multiple challenges and cycles backed by a solid foundation, and dedication to all stakeholders and the nation.

We did what we have always done.

STANDING STRONG TOGETHER WITH OUR PEOPLE.

We stood by our customers, continuing to conduct business activities despite the difficulties and leveraged the power of our balance sheet to meet their financing needs and help them see through the crisis. We used the power of digital and doorstep lending models as well as the commitment of our employees to be always available for them.

We stood by our employees, giving them the assurance of a safe work environment and employment security. We supported them with work from home, met their well-being needs and temporarily withdrew field visits at the peak of the pandemic. We stood by the communities, undertaking various outreach programs to help those most impacted.

At the same time, we conducted business responsibly to ensure a profitable growth while maintaining the integrity of our balance sheet to ensure sustained value creation for our shareholders and for us.

This is the Manappuram Finance legacy. We will continue to nurture it and build a stronger company that grows together with its customers, employees, shareholders and communities at large.

HOW WE DELIVERED VALUE IN FY 2021-22

₹ 13,47,536 million

Total lending to customers

₹ 10,098.34 million

Salaries and wages paid to employees alongside ensuring no retrenchment, high engagement and satisfaction levels

₹ 15.68 million

Spent on community development initiatives

₹ 13,287.05 million

PAT, ensuring a profitable growth for shareholders

About Manappuram Finance

EMPOWERING INDIVIDUALS AND BUSINESSES RESPONSIBLY

Manappuram Finance is one of India's leading non-banking financial companies (NBFCs). Having a diversified portfolio across gold, MSME, housing and vehicle loans and insurance, we are committed to financing and empowering India's aspiring classes. We have been at the forefront of introducing innovative products and services that have enabled our customers to seamlessly get access to funds.

We are today a brand with solid equity and competitive edge. We have deep knowledge of market and processes, extensive portfolio and regional presence, powerful systems and experience. We will continue to bring together our excellence and expertise to power a profitable growth while considering the interests of all stakeholders.

VISION

To become the preferred choice of financial services partner for India's aspiring classes, meeting the full range of their credit requirements, and helping India become a financially inclusive society where every citizen has ready access to formal channels of finance.

MISSION

MAFIL is dedicated to the mission of bringing convenience to people's lives and making their lives easier. We offer secured and unsecured credit to meet their varied financial needs from instant gold loans to microfinance, affordable home loans, vehicle finance and more.

VALUES

INTEGRITY
At MAFIL, we value our reputation for integrity in our dealings. We set great store by ethical values and transparency. We take pride in following the laws of the land in letter and spirit.

UNRELENTING CUSTOMER FOCUS
We treat our customers with the utmost fairness. No matter what their economic status is, we offer everyone prompt and courteous service, with high levels of transparency.

CUTTING-EDGE TECHNOLOGY
Technology is central to our vision. We continue to invest heavily in technology to enhance customer experience and drive efficiency in operations. We believe in tech-led innovations to deliver seamless and responsive financial services of ever greater value to customers.

WHERE WE STAND TODAY

#2 NBFC
in gold loans in India

#2
MFI-NBFC in India (through subsidiary Asirvad Microfinance)

Pioneer
in process innovation in gold loans (online gold loan product 'OGL' and cellular vaulting mechanism)

Pan-India presence
with 5,000+* branches across all Indian states and Union Territories

Trusted Brand
Safekeeping 67 MT of household gold jewelry safe on behalf of 2.4 million customers

Well capitalized
with a Tier I ratio of 31%

*No. of branches on a consolidated basis

Trusted employer for 40,000+#
employees

#No. of employees on consolidated basis (employees in the payroll as on 31.03.2022)

REWARDED WITH INDUSTRY-BEST CREDIT RATING

MANAPPURAM FINANCE
- **Long Term:** AA (Stable) by CRISIL, AA+ (Stable) by Brickwork Ratings, AA (Stable) by CARE Ratings, BB- /Stable by S&P Global and BB-/ Stable by Fitch Ratings.

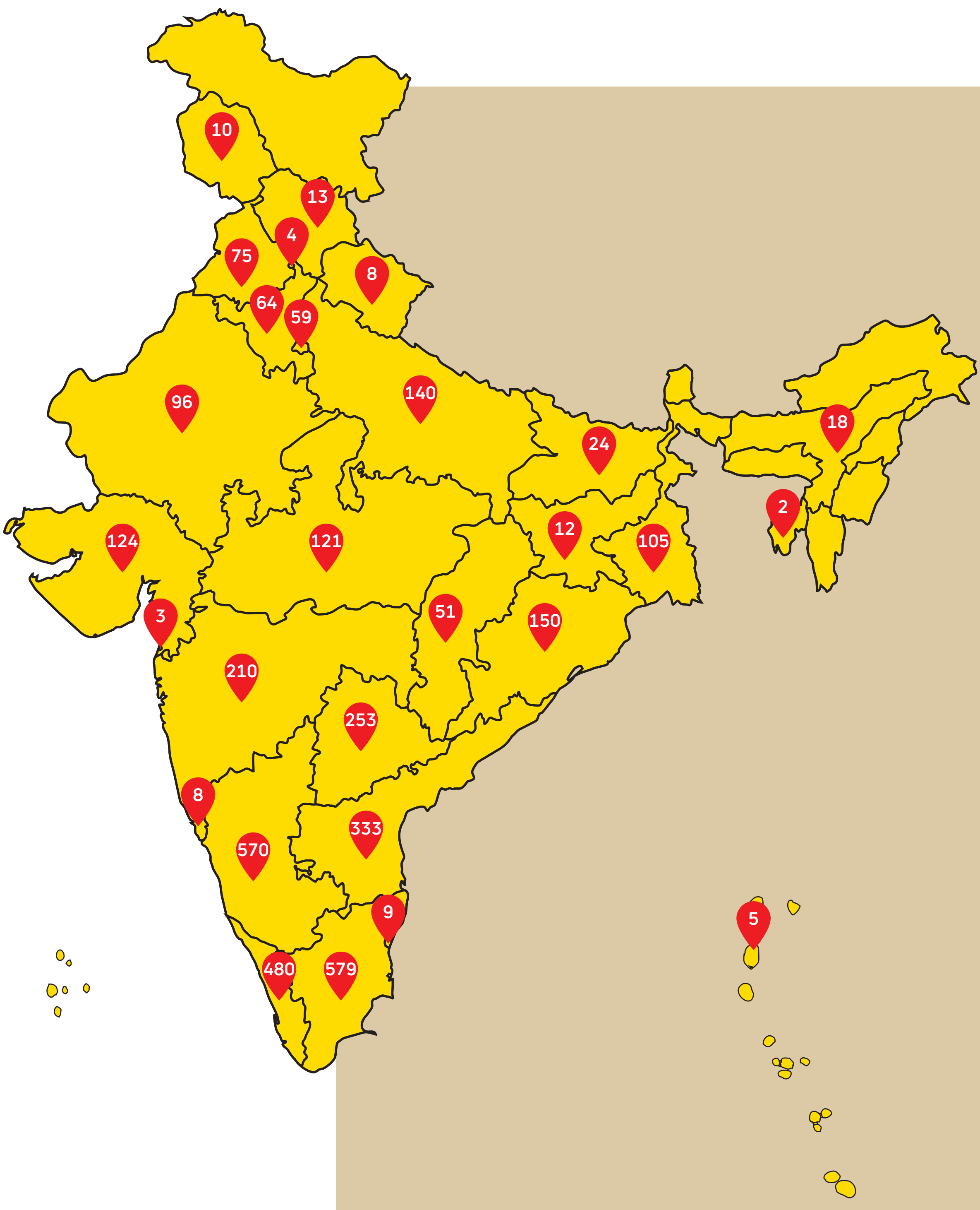
ASIRVAD MICRO FINANCE
- **Long Term:** AA - Stable by CRISIL and A+ Stable by CARE
- **Short:** A1 + by CRISIL

MANAPPURAM HOME FINANCE
- **Long Term:** AA - /Stable by CRISIL and AA – (Stable) by CARE
- **Short Term:** A1+ by CRISIL Brickwork Long term AA-(Stable)

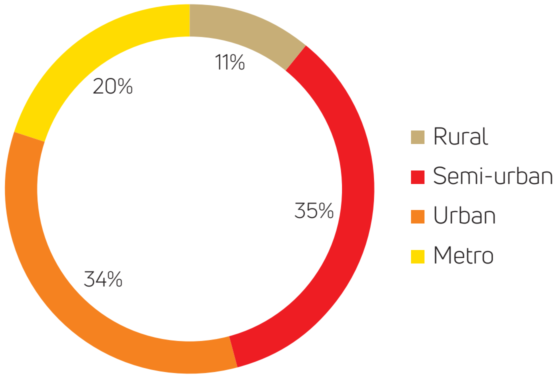
Geographic Presence

SERVING CUSTOMERS ACROSS THE COUNTRY

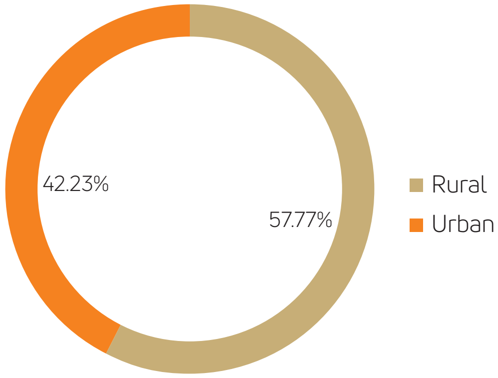
At Manappuram Finance, we are inspired by the thought to reach every Indian and empower them. That is why, apart from a digital model, we have established a solid pan-India presence through a network of branches which provides easy access to customers.



GOLD AUM RURAL URBAN MIX



MFI RURAL URBAN MIX



NORTH

Jammu & Kashmir	10
Himachal Pradesh	13
Chandigarh	4
Delhi	59
Punjab	75
Uttarakhand	8
Haryana	64
Uttar Pradesh	140
Rajasthan	96
Madhya Pradesh*	121
Total	590

EAST

Assam	18
Bihar	24
Tripura	2
Jharkhand	12
West Bengal	105
Chhattisgarh	51
Odisha	150
Total	362

UNION TERRITORIES

Daman & Diu	3
Andaman & Nicobar	5
Puducherry	9
Total	17

WEST

Maharashtra	210
Goa	8
Gujarat	124
Total	342

SOUTH

Karnataka	570
Kerala	480
Telangana	253
Andhra Pradesh	333
Tamil Nadu	579
Total	2,215

3,526

Grand Total

Manappuram Finance Limited Total Branches

*Madhya Pradesh considered in Northern region

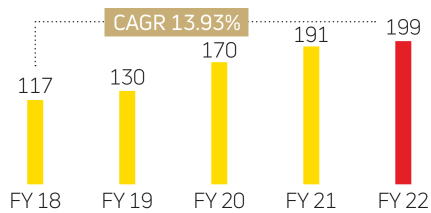
Business Segment Review

HIGH-QUALITY AND DIVERSIFIED PORTFOLIO

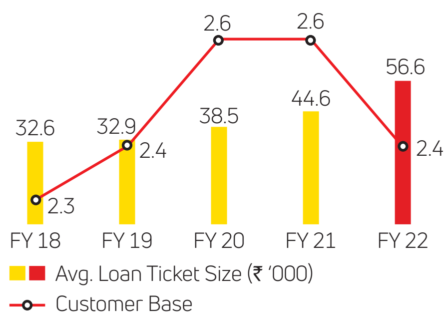
Gold Loans Business

3,524
Gold Loans branches

GOLD LOAN AUM (₹ BILLION)



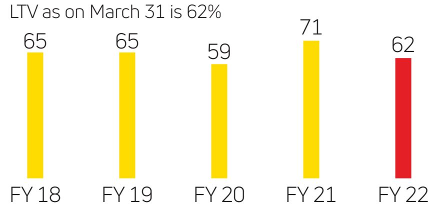
AVERAGE LOAN TICKET SIZE



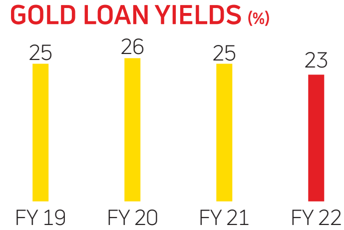
33%
Gold Loans AUM comprising customers with over ₹ 2 lakh ticket size

LOAN TO VALUE (%)

LTV as on March 31 is 62%



GOLD LOAN YIELDS (%)



BUSINESS OVERVIEW

We offer a range of schemes that suit the diverse customer needs. Our value-added service of doorstep gold loan which is being offered across India has found great acceptance, enabling customers to save time and cost related to travelling to branches.

We are pioneers of Online Gold Loans (OGL) which has greatly transformed how this business operates. It allows customers to deposit their gold safely and free of cost at our vaults, and avail loans up to ₹ 25 lakh as per their convenience through a completely digital mechanism. It ensures easy documentation, instant approval and convenient 24X7 online repayment, thereby making the entire process seamless and paperless.

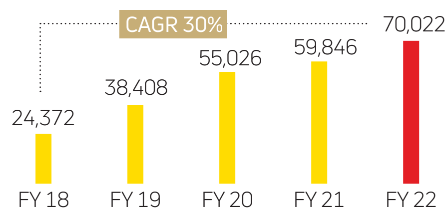
KEY DEVELOPMENTS, FY 2021-22

- Gold loan disbursement declined 53.12% to ₹ 123.68 billion due to an increased pricing-led competitive intensity where companies were offering loans at lower yields. However, given these levels are unsustainable, we chose to move away from competition and focused on higher yields which led to loss of business. We expect things to improve as liquidity gets tighter and funding dries up, especially for loss making competitors
- Gold Loan AUM increased 4.14% from ₹ 190.77 billion in FY 2020-21 to ₹ 198.67 billion; AUM per branch at ₹ 56.4 million as compared to ₹ 54.1 million in previous year
- Gold Loan Yield declined from 25% in FY 2020-21 to 23% as we lowered yields to protect our high-ticket customer base from competition; though we have now reverted back to higher yields
- Gold holdings increased 2.57% to 67.01 tons and live customer base decreased from 2.6 million to 2.4 million but average loan size per customer increased from ₹ 73,595 to ₹ 84,041
- Share of OGL decreased from 54% to 44% with an average ticket size of ₹ 63,306. The decline was due to a higher base in the previous year in which digital lending increased because of pandemic

Micro Finance Business (Asirvad Micro Finance Limited)

1,526
Asirvad branches (305 exclusively for gold loans)

AUM (₹ MILLION)



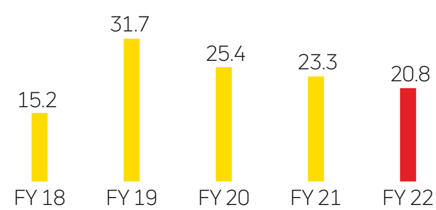
BUSINESS OVERVIEW

Asirvad Micro Finance is our subsidiary. It engages in providing MFI loans such as Income generating program (IGP) loan, Product loan, MSME loan and Gold loan. Asirvad has a reputation of being one of the lowest cost microfinance companies in India with an operating expense to AUM of 6% as on March 31, 2022.

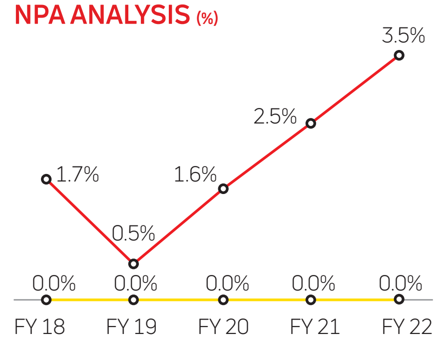
KEY DEVELOPMENTS, FY 2021-22

- Strong focus on business development and customer retention led to number of borrowers increasing from 2.42 million in FY 2020-21 to 2.57 million and an increase in total loan disbursement by 136% to ₹ 85,571 million
- Total AUM increased by 17% from ₹ 59,846 million in FY 2020-21 to ₹ 70,022 million
- The total turnover increased by 28.8% from ₹ 10,530 million in FY 2020-21 to ₹ 13,557 million.
- Increased focus on Gold Loans by adding exclusive branches in response to a new regulatory which allows for 25% of the total assets being non-MFI, as a result Gold Loan AUM increased 11762.35% from ₹ 25.3 million in FY 2020-21 to ₹ 3,006 million.
- Sustained focus on improving collection and an increase in number of loan officers by 4,490 to 7,507 officers resulted in efficiency increasing from 93% in FY 2020-21 to 100%
- AUM per branch decreased from ₹ 56.2 million in FY 2020-21 to ₹ 45.9 million (Excluding Gold Loan) as we opened new gold loan branches

CAPITAL ADEQUACY RATIO (%)

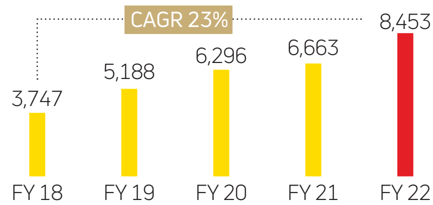


NPA ANALYSIS (%)

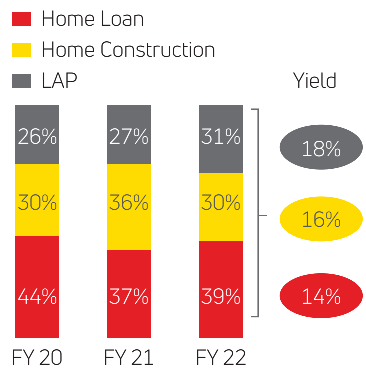


Housing Finance Business

HOUSING FINANCE AUM (₹ MILLION)



AUM MIX (%)



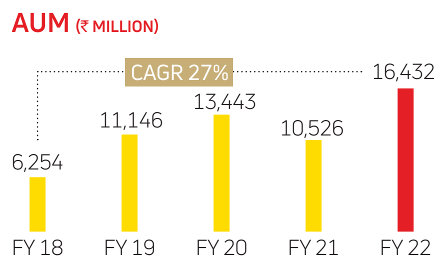
BUSINESS OVERVIEW

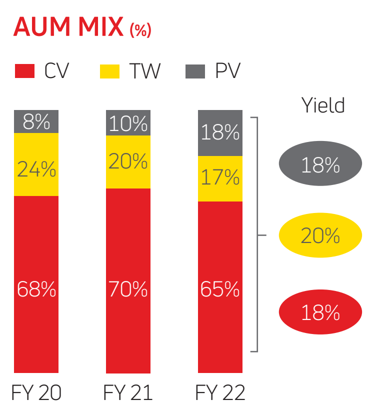
The housing finance business is operated through our subsidiary Manappuram Home Finance Limited (MAHOFIN). It primarily focuses on affordable housing loans up to ₹ 1.5 million targeted at the mid- to low-income group, ~75% of whom are self-employed. MAHOFIN is focused on the South and West India markets where it has 73 branches with a strong penetration in tier III and IV towns. It has low cost of operations model based on co-location with parent branches.

KEY DEVELOPMENTS, FY 2021-22

- AUM increased 26.86% from ₹ 6,663 million in FY 2020-21 to ₹ 8,453 million – 39% of which is for home loan, 30% for home construction and 31% loan against property (LAP)
- GNPA decreased from 6.4% as on March 31, 2021 to 5.9% in March 31, 2022
- Increased emphasis on direct sourcing through ground level marketing; 83% business is self-sourced

Vehicle and Equipment Finance Business





BUSINESS OVERVIEW

We provide Commercial Vehicles, Auto loans, Two-wheeler finance, Construction Equipment and Farm Equipment finance. Minimum size of these loans starts from ₹ 60,000 with a tenure ranging from 12 months to 60 months. The business ensures wide distribution, through a network of 3,000+ co-located gold loan branches, digital lending platform and brand tie-ups with manufacturers. A dedicated team is in place for used business with lower ticket size and higher yield. We primarily focus on used commercial vehicles business in semi urban and rural locations.

KEY DEVELOPMENTS, FY 2021-22

- AUM increased 56.11% from ₹ 10,526 million in FY 2020-21 to ₹ 16,432 million – 65% of which is for commercial vehicles, 17% for two-wheelers and 18% for passenger vehicles

The company had started following New RBI Norms issued as on November 12, 2021 (i.e. Via Notification No. RBI/2021-2022/125) and hence GNPA increased from 5% as on March 31, 2021 to 6.7% as on March 31, 2022.

Others

MSME FINANCE

BUSINESS OVERVIEW

The MSME business engages in providing loans ranging from ₹ 1,00,000 to ₹ 15,00,000 against property as collateral and against rent receivables. These loans are provided for a tenure ranging from 12 to 120 months. Our robust business model allows for a short average turnaround time (TAT) from 3 to 6 days.

KEY DEVELOPMENTS, FY 2021-22

- Lending increased from ₹ 1,438 million in FY 2020-21 to ₹ 7,475 million
- Average loan ticket size increased from ₹ 2.01 lakh in FY 2020-21 to ₹ 5.43 lakh
- AUM increased from ₹ 2,606 million to ₹ 8,710 million
- Added 13,752 new customers, taking the total to 28,701

INSURANCE BROKING

BUSINESS OVERVIEW

The insurance broking business is undertaken by our subsidiary Manappuram Insurance Brokers Limited which is an IRDAI licensed broker. It engages in providing both life and general (motor, health, home) insurance products. It sells products through a network of 7,000+ point-of-sale agents across India as well as its online platform Masuraksha. It has a strong customer services team for renewal, claims and grievances, which has been key to its over 2 million happy customers.

KEY DEVELOPMENTS, FY 2021-22

- Revenue increased 14.40% from ₹ 99 million in FY 2020-21 to ₹ 113.25 million
- PAT increased 14.72% from ₹ 29.03 million in FY 2020-21 to ₹ 33.31 million
- Claim settlement ratio at 91% as compared to 93.5% in FY 2020-21

MANAPPURAM COMPTECH AND CONSULTANTS

BUSINESS OVERVIEW

Manappuram Comptech and Consultants Limited (MACOM), had a total revenue of ₹ 304.21 million for the year. A total of ₹ 79.40 million has been added to the company's revenue portfolio. An audit and taxation firm, together with core IT services, serves a variety of market needs, including application development for digital personal loans, loan management solutions and other microfinance services. Since last year, MACOM's parent business has successfully migrated to the cloud and has given oracle-based cloud platforms to other fellow companies. With its Android-based EMI collection apps, customer and agent collection apps, and so on, this company made itself known in the past year. This year, MACOM's net profit was ₹ 18.25 million, compared to ₹ 42.71 million in FY 2020-21.

KEY DEVELOPMENTS, FY 2021-22

- Asirvad Microfinance Ltd, a client of the company presently uses our gold loan application in over 300 of its gold loan branches
- On February 13, 2022, Manappuram Finance successfully migrated its whole data center to Oracle Cloud Infrastructure
- The ISO has issued an ISO 27001:2013 certification for the company (information security management system)
- We've established a Center of Excellence for technologies like Tableau and Robotic Process Automation as part of our adoption of new-age technology
- Created a team to update all of our present applications using the most current technology and processes
- A successful migration of data from SAP to our Accounting module has been completed for Asirvad Microfinance Ltd.
- A fully integrated Loan Management solution that is compatible with Microfinance, Vehicle Finance and Housing Finance

FOREX AND MONEY TRANSFER

BUSINESS OVERVIEW

We have an Authorized Dealers Category-II license by the RBI, and engage in providing solution for fast, easy and safe money transfer up to ₹ 50,000 without the need for bank account. Our services include transfer to both India and abroad.

KEY DEVELOPMENTS, FY 2021-22

Our Company's fee-based services include money transfer, foreign exchange, and depository services. We facilitate fast, easy, and safe money transfer and the customer does not require a bank account for an amount of up to ₹ 50,000 subject to compliance with applicable RBI norms. We assist in exchange of currency for purposes as permitted under the foreign exchange management act (FEMA). Our Company is an Authorized Dealer (AD) Category 2 license holder from RBI. In December 2017, Manappuram Finance Limited received RBI's license to act as the Indian Agent for Western Union Money Transfer. We also act as sub-agents to the Indian representatives of other companies providing money transfer inward remittance.

Following are the highlights of our fee-based services:

- Tie up with nine money transfer agencies for inward remittance
- About 60% of the inward remittance is contributed by Western Union
- As an Indian agent of Western Union, we can appoint sub agents to work on our behalf all over India
- Turnover of MTSS business is around ₹ 13 crore per month
- We have more than 178 active sub-agents for Western Union business who contribute about ₹ 1.65 crore of business per month

PAYMENTS BUSINESS

It was in March 2017 that Manappuram Finance Limited received RBI's authorization to issue prepaid payment instruments (payment wallet) and went on to launch the MAkash wallet. A mobile wallet is a way to carry cash in digital format that promotes the country's cashless payments initiative. Customers can load money into the wallet using a credit card, debit card, net banking and UPI. Alternatively, they can walk into any of the MAFIL branches across India and load cash into the wallet without any extra cost.

With over one lakh customers, MAkash has registered steady growth. The wallet registers an average of 13,000 transactions per month valued at about ₹ 9 crore. Customers can avail the assistance of MAFIL Branches to create the wallet and conduct transactions. The following services are available with MAkash Online and Offline modes:

- Phone Recharge & DTH: With money loaded in your MAkash wallet, it takes just seconds to make phone and DTH recharges
- Bill Payments: Pay all your bills across categories via MAkash in no time and avoid late payment charges
- Transfer money to Bank: You can Load money from your Credit card / Debit Card / Net Banking and send it to any bank account in India, any time

Message from the MD & CEO

Dear shareholders,

It gives me immense pleasure to share with you our 30th Annual Report for the financial year ending March 31, 2022. The adaptability and agility displayed by our employees during this volatile period and the continuing trust of our customers have helped us meet the challenges and stay ahead in a competitive landscape to achieve a profitable growth. Our consolidated Assets under Management (AUM) stands at ₹ 302.61 billion as on March 31, 2022, growing by 11.15% over the previous year.

What makes me happier is the resilience with which we stood by our customers, our people and the community at large in these difficult times, taking inspiration from our rich legacy. Manappuram Finance, as you would be aware, is a 70-year-old brand. We have seen and withstood multiple challenges through our existence, the latest being demonetization and COVID-19 pandemic. Each time, we have emerged stronger. Each time our determination to serve our customers, majority of who are the most impacted in such difficult times, becomes more steadfast. We are proud of our legacy and will continue to stay true to it.

FROM DARKNESS TO LIGHT AND SMILES

The FY 2021-22 was one of hope and change as the world learned to cope with the unprecedented economic and social crisis triggered by the COVID-19 pandemic. The year began with a more severe second wave of the pandemic which took a toll on lives and livelihood. However, since then, better understanding of virus, rapid vaccination drive covering majority of country's eligible population and sustained fiscal and policy support from the government and regulators have greatly improved sentiments. The mood of despair has now been replaced by a distinct feeling of optimism, as all of us made peace with the New Normal.

The euphoria was evident in a buoyant Indian economy which saw 8.7% growth in FY 2021-22 against a contraction of 6.6% in the previous fiscal. All sectors performed well, and the economy has recovered to pre-COVID levels, although it may take another decade to overcome the losses. In another positive development, the rural economy which was largely muted through the year, is beginning to show signs of revival. With a good monsoon forecasted at 103% of the long-term average for 2022 by the IMD, the expectations of better agricultural production and rural economy rebound remains high.

Though a few of the challenges that remain are that of rising inflationary pressure globally and the geopolitical tensions due to Russia-Ukraine war which has raised the risks of stagflation. With no resolution visible in the near future, global governments will have to combat mounting inflation while maintaining growth. That said, compared with the steep price inflations seen globally, such as 8.5% in the US and 9.1% in the UK, India's is comparatively benign at an estimated 6.7% for FY 2022-23. Decision of the MPC to remain focused on withdrawal of accommodation and recent hike in the policy rates are likely to keep inflation under check. As for the war, it continues to be a regional event and has not spread.

The impact of these events along with hardening rates in the US and appreciation of US Dollar against global currencies triggered sell-offs across global stock markets.
The Indian market followed the cues with FIIs pulling out, which has caused significant uncertainties and volatility. India's benchmark index Sensex shed over 10,000 points from its peak level of over 62,000 seen in October 2021. As a result, our share price along with others, has experienced depreciation, which caused some pain to our investors. With the improving economic situation of the country and growth prospects of your Company, I expect that the Indian stock market will revive, and we will regain our glory.

Banks as well as non-banking financial institutions, I believe, are better placed than their counterparts in many other sectors. As per RBI assessment, they have sufficient capital buffers to withstand negative shocks from the geopolitical tension and resultant inflationary pressure and supply chain bottlenecks.

Overall, the recovery process for the Indian economy seems to be progressing smoothly and efficiently despite global headwinds. The country tops the IMF forecasts for 2022 with GDP growth seen at 8.2%, ahead of China and the US which are expected to grow at 4.4% and 3.7% respectively.

A YEAR OF RESILIENCE AND POSITIVENESS

Our performance in FY 2021-22 reflected the immensely challenging phase that our business passed through. Economic distress in rural areas that form part of our target market and an intense competition in our primary gold loans business impacted our business to some extent.

Despite this, I am happy to state that Manappuram Finance stood its ground, and reported a consolidated profit after tax (PAT) of ₹ 13,287 million for FY 2021-22. Our Operating income for the year stood at ₹ 60,610.2 million, down by 4.26% against ₹ 63,305.5 million recorded in the previous fiscal. Considering the volatility and uncertainty of the present times, it is without doubt a heart-warming show and one that augurs well for all those associated with the Company, especially our loyal customers.

There have been several positive takeaways from the performance. We delivered a balanced growth across our diversified business areas. This is a good sign and indicates that we are gradually reducing dependence on our gold loans business by growing other businesses. This will give more stability to our operations and set path for a predictable growth in the long run.

In our core business of gold loans, we combated stiff challenges as a result of intense competition from other NBFCs and banks that offered low rates for gold loans. We saw our competitors targeting our high-value customers, and accordingly responded with aggression to retain our customer base. As a result, our gold loans portfolio crossed the ₹ 200 billion mark in Q3 FY 2021-22, accompanied by a proportionate growth in gold tonnage to ~70 tons. However, since then we have taken a cautious stance of maintaining yield rather than to bleed, thereby closing the year with gold loans AUM at ₹ 198.67 billion, a growth of 4.14% over the previous year. The aggregate disbursement for the FY 2021-22 was ₹ 1,236.75 billion. As of March 31, 2022, we had a robust 23.69 lakh live gold loan customers and 33% of our AUM constituted customers with over ₹ 2 lakh ticket size. This is a clear indication that customers have trust in the Manappuram brand and we will continue to build on this.

In the non-gold businesses comprising MSME and micro loan finance, vehicle finance, and home loans, we have successfully restored the growth momentum through augmenting business development as the rural markets began to see revival towards the end of the year.

Our microfinance subsidiary, Asirvad Microfinance, reported a satisfactory growth in business, ending the year with an AUM of ₹ 70.02 billion, a jump of 17% over ₹ 59.85 billion reported in the previous fiscal. It also closed the year on a positive note with a collection efficiency improving to 99% post an initial setback at the start of the year when collections were impacted as the team could not make visits due to the pandemic. The Vehicle and Equipment Finance division closed the year with an AUM of ₹ 16.43 billion, a substantial growth of 56.11% over the last fiscal. Manappuram Home Finance, our home finance subsidiary, ended the year with an AUM of ₹ 8.45 billion, a growth of 26.87% against ₹ 6.66 billion achieved in the previous fiscal. Overall, the non-gold businesses contributed a share of 34.34% to the total loan book, in line with our strategy to diversify.

We also improved on the balance sheet position. Our consolidated net worth stood at ₹ 836.84 billion and capital adequacy ratio (standalone) at 31.33% as on March 31, 2022. Liquidity position is healthy with cash and cash equivalents of ₹ 26,974 million as on March 31, 2022. The consolidated book value per share is reported at ₹ 98.87 and earnings per share (EPS) at ₹ 15.70.

OUTLOOK

Moving forward, we are optimistic of the future of gold loans in India given the immense liquidity potential it offers to those in need. In terms of the ongoing competition, I believe this is a temporary phenomenon as the levels at which industry players are operating are unsustainable. I foresee the situation to normalize in the next few quarters. With our long-term focus, solid business model and brand, we are confident of registering a 10-15% growth in gold loans in the coming fiscal unless any further challenges come up.

We see good potential in our non-gold businesses as well. We have established solid competencies in them, and now with the rural markets improving, our teams are actively reaching out to customers for business development. In the MFI businesses, the regulatory decision to increase proportion of secured loan book (other than microfinance) to 25% of the portfolio is a welcome move. With this, Asirvad Microfinance has initiated gold lending to improve quality of assets and so far, it has opened 320 branches exclusively for this business.

CLOSING COMMENTS

I thank the regulators and policymakers for providing an entrepreneur-friendly atmosphere, allowing us to go from strength to strength over the years. I appreciate the efforts of the senior management team who have risen to the unprecedented challenges and shown the will and resilience to translate the Company's vision to actual results on the ground. I would like to thank each of the workforce who have shown immense dedication in achieving our goals. I also take this opportunity to thank our Board for their support and guidance as well as our shareholders and customers who are our source of strength. Finally, I express my gratitude to the community at large because our mission has always been not just to create wealth but also to serve them in the best possible manner while enhancing their quality of life.

I have no doubt that with the continued support of all the stakeholders, your Company will scale new heights in the years to come and join the country's march towards becoming a $5 trillion economy.

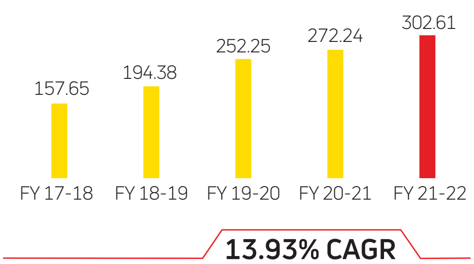
With best wishes

V.P. Nandakumar
MD & CEO

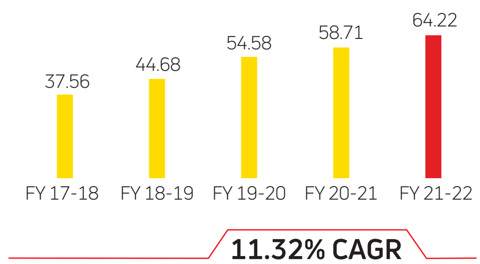
Key Performance Indicators

DELIVERING RESILIENT PERFORMANCE IN A CHALLENGING YEAR

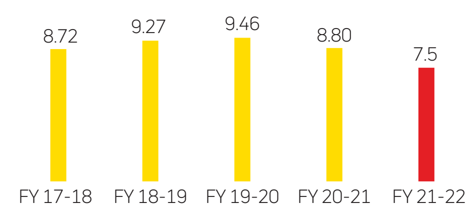
ASSETS UNDER MANAGEMENT* (₹ BILLION)



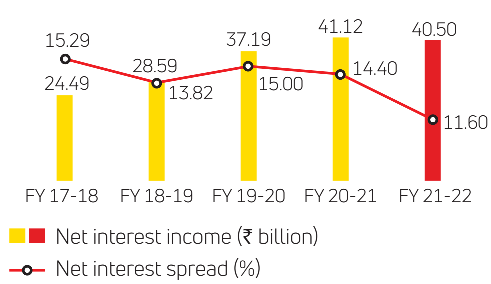
AUM PER BRANCH* (₹ MILLION)



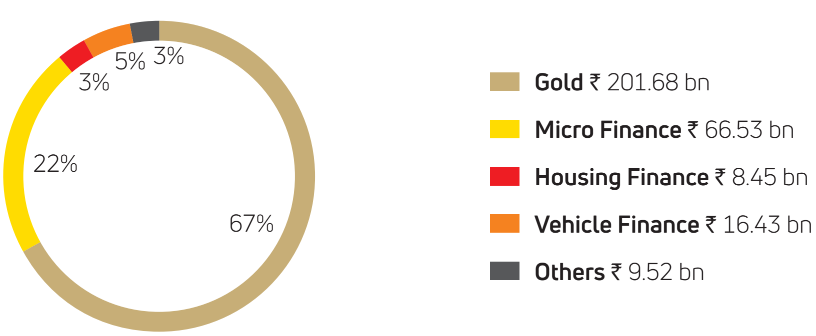
COST OF BORROWINGS** (%)



NET INTEREST INCOME AND SPREAD*

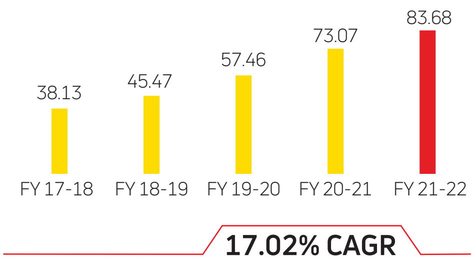


ADVANCE MIX* (%)



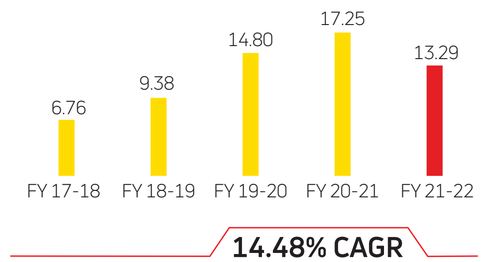
NET WORTH*

(₹ BILLION)



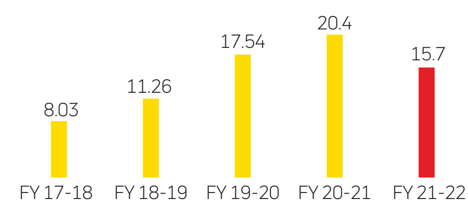
PROFIT AFTER TAX*

(₹ MILLION)



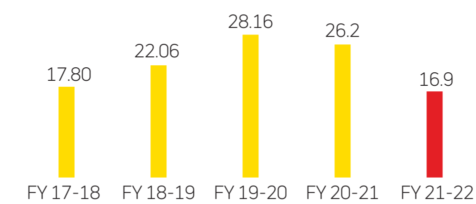
EARNINGS PER SHARE*

(₹)

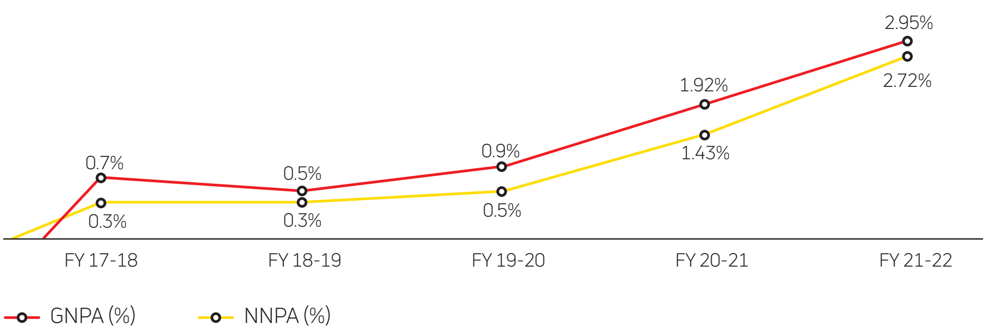


RETURN ON EQUITY*

(%)



GROSS NPA AND NET NPA**



#GNPA as per RBI Circular dated November 12, 2021 on IRACP norms

*Consolidated business
**Standalone business

Digital Innovation

MAKING LIFE EASIER AND BETTER WITH TECHNOLOGY

Manappuram Finance has always been a digital-driven organization. We have been actively adopting innovative digital technologies to drive our vision of making lives easier for our customers and our people. Our digital efforts have been key to deepening relations with these stakeholders and driving unmatched operational excellence, thereby positioning us for a profitable long-term growth. We are focusing on centralizing IT activities and progressing ahead on the digital maturity curve to strengthen our competitive edge.

DIGITAL STRATEGY POWERING MANAPPURAM FINANCE

Innovate (strategic)

Innovative projects to penetrate more markets, gain more customers and stay ahead of competition

- SMS-based Gold Loan
- WhatsApp-based OGL mobility platform
- Digital personal loans
- Digital scorecards
- OGL digital cards
- Kiosks
- Business Associates (BA) portal
- Value-added Services (VAS) portal

Differentiate (tactical)

Establishment of business differentiators to ensure brand recall and have our own unique selling points

- Customer Relationship Management (CRM)
- Mobile Device Management (MDM)
- Unified Payments Interface (UPI)
- Aadhaar-Enabled Payment System (AEPS)
- Robotic Process Automation (RPA)
- Adoption of Internet of Things (IoT) and blockchain
- Governance, Risk and Compliance (GRC), Learning Management System (LMS) and Infra solutions such as SD-WAN
- Usage of public cloud, Document Management System (DMS) and digital workflow

Execute (operate)

Consolidation of Group IT infrastructure by moving to private cloud to serve customers better

- Mobile first with MDM
- Setting up of an in-house information security organization
- Involvement of professional network integrators
- Improved SLA-based support for IT services

INNOVATING TO DELIVER SUPERIOR CUSTOMERS' EXPERIENCES

ONLINE GOLD LOANS (OGL)

Our pioneering initiative of OGL has transformed the way this business operates. It allows customers to deposit gold at our vaults through an easy one-time documentation, against which they can instantly avail gold loan up to pre-approved limit anytime from anywhere in the world. A robust app, available in multiple languages, enables customers to conduct transactions like interest payment, money remittance, repayment and fresh loan applications. Given its convenience, OGL has seen rapid adoption especially during the pandemic.

DOORSTEP GOLD LOANS

Doorstep gold lending is another pioneering initiative aimed at customer convenience and safety. Through this, we provide the convenience of booking appointment easily through a call or SMS, and our executives visit their homes for completing all application formalities, subsequent to which the loans are disbursed post approval. It eliminates the need for customers to travel and carry gold which may be risky.

OGL ADOPTION IN FY 2021-22:

44%

Share of OGL in the overall Gold AUM

₹ ~60 million

Disbursements through OGL

₹ 63,300

Average ticket size of OGL

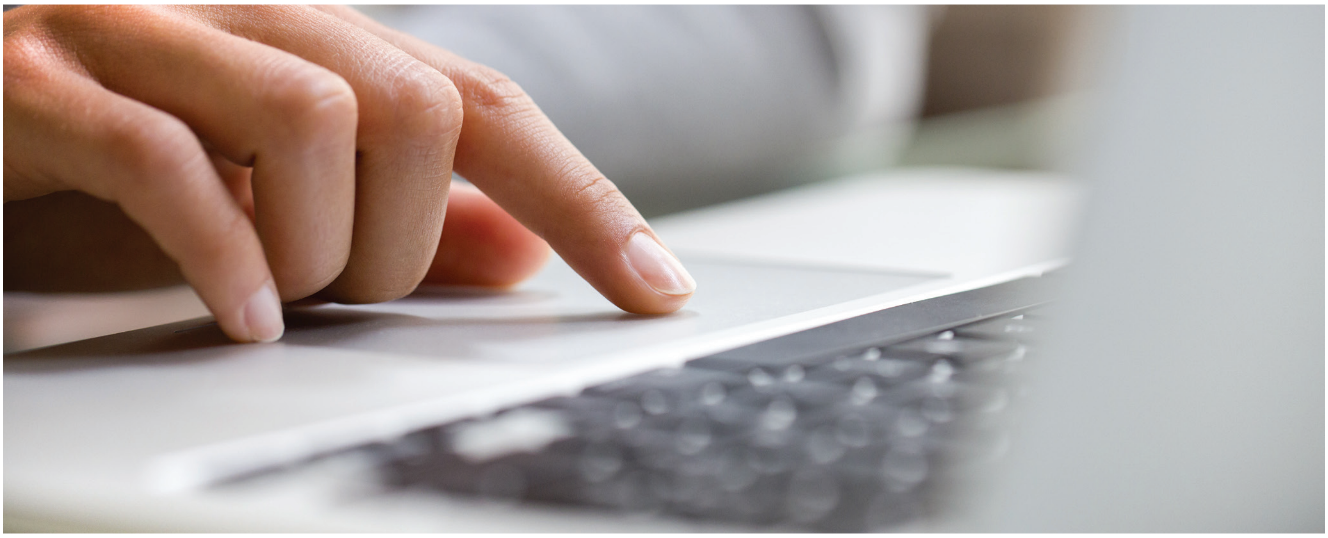
DOORSTEP LENDING ADOPTION IN FY 2021-22:

1,15,877

Customers opted for doorstep lending

₹ 6,613.42 million

Worth of gold loan disbursed through doorstep



USING TECHNOLOGY TO REINFORCE OPERATIONAL EXCELLENCE

PAPERLESS OFFICE

Our platform – paperless office – has been at the forefront of completely digitalizing all internal operations like approvals and sanctions. It has made mobile a virtual office, enabling executives to conduct operations remotely, thus lowering paper consumption and scaling operational efficiency.

VIRTUALIZING REGIONAL OFFICES

We have introduced the Employee Self-service app (ESS app) to digitalize operations of regional offices. This has made redundant the need for various managers to stay at office to carry out operations.

LEVERAGING THE POWER OF ANALYTICS

Data has become indispensable in today's business context for making effective decisions, especially at Manappuram Finance given the immense volume of transactions with a live customer base of 25,00,000 and transacting customer. Our dedicated data analytics team are proactively undertaking detailed analysis of various data points, to identify cross-selling opportunities across our diverse operations. We are nurturing their skills through various internal training on our MADU platform as well as external training courses from Indian Institute of Management.

We are also working towards building New Digital Capabilities based on changing customer needs for lead generations, payments protection and customer identification by using AI /ML, predictive modeling and analytics. Aligned to this, sustained investments are being made on bots to enhance automation, precision and reduce costs. Our WhatsApp Business Bot has helped automate customer conversations, providing timely responses to queries and channelizing them to marketing and sales. Further, conversational AI bots are being used for enabling customer relationship management. We are currently working on multilingual AI - powered chatbots to provide tailored responses and an automated credit score check for MSME loans.

STREAMLINING AND STRENGTHENING OPERATIONS

We have strategically used technology to streamlining processes, reduce operational turnaround time and improve risk management practices. In terms of strengthening underwriting, we have a robust loan processing system enabled by multiple checks which ensures flagging and preventing any kind of frauds. Advanced technologies are being used for verifying and capturing KYC details and geo tagging of locations as enhanced security measures.

PROGRESSING TOWARDS MODERNIZATION AND DIGITAL MATURITY

We are modernizing our IT by successfully migrating from on premise solution to the scalable Oracle Cloud Infrastructure (OCI) which will bring more efficiency in our operations and improve security levels. We are also updating and deploying new applications, IT processes and governance policies to improve customer satisfaction. Further, as part of assessing our digital maturity, we are modernizing our entire application stack in a service-oriented architecture (SOA) that will leverage the facility of cloud.

Employee Initiatives

BUILT ON THE POWER OF PEOPLE

Our business is built on the foundation of our talented and engaged people. They are key to driving forward the growth and ensuring superior services to the customers which helps in reinforcing our brand. We provide them an enabling workplace that supports continuous learning and drives their engagement levels.

26,970*

Total number of permanent employees

8,218*

Total number of permanent women employees, representing 30% of total employees

**Standalone basis*

POSITIVE LEARNING EXPERIENCE COUPLED WITH COMMITMENT AND DEXTERITY TO EXCEED ORGANIZATIONAL AND MARKET EXPECTATIONS COMES AS A BY-PRODUCT OF A HIGHLY ENGAGED WORKFORCE.

EMPLOYEE TRAINING AND DEVELOPMENT

Our HR practices are interwoven around the belief of training and development. We undertake to incubate new hires with e-learning courses from our in-house developed MADU – Learning Experience Platform. It enables and enhances their capabilities, and focuses on building new skills for better effective performance. Supporting accelerated career growth of employees through continuous learning facilitation, MADU has become a prime engine for organizational capability building.

ENSURING AN ENGAGED AND MOTIVATED WORKFORCE

Positive learning experience coupled with commitment and dexterity to exceed organizational and market expectations comes as a by-product of a highly engaged workforce. We undertake various employee engagement activities to build stronger connect among our people and boost their morale for scaling performance. It has also been critical in driving the organizational growth to the next level.

WE UNDERTAKE VARIOUS EMPLOYEE ENGAGEMENT ACTIVITIES TO BUILD STRONGER CONNECT AMONG OUR PEOPLE AND BOOST THEIR MORALE FOR SCALING PERFORMANCE.

ENABLING A PRODUCTIVE WORKFORCE

We have a robust Performance Management System which enables identification of high potential employees, capable of steering a bigger and higher responsibility in the organization. We have defined a set of KRAs (Key Result Areas) and KPIs (Key Performance Indicators) which ensure a focused approach in talent evaluation. Accordingly, gaps are identified and necessary training provided, thus paving the way for better and focused performance. This approach is also contributing to higher retention, ensuring steady availability of talent pool for business continuity.

PROMOTING A SAFE WORKPLACE

We have identified and adopted best industry practices related to Health, Safety, Security and Environment which outlines the core of its business. Further, we have developed a culture whereby employees drive these practices proactively to achieve better results.

REINVENTING LEARNING WITH MADU

MADU is our internally developed Digital Experience Platform. It is feature-rich and aligned to suit our training requirements with various e-learning courses, Instructor-Led Trainings and Virtual Instructor-Led Trainings (VILT). Given that Manappuram Group has nearly 40,000 employees, virtualizing training through MADU has brought more efficiency in speed of training and cost involved.

MADU enables assigning courses, including regulator specific, to employees in three categories: mandatory, role-based and optional. It further allows to get report on the number of courses assigned, completed and pending for each employee. Additionally, the extent to which the employee has understood the content can be determined by assigning evaluation modules in the proctored / non-proctored mode.

VILT trainings can also be assigned whereby all departments can create related e-learning courses and provide necessary trainings to assigned individuals to ensure they are up-to-date on their job-related knowledge. So far, 1,100+ eLearning courses have been uploaded on the platform.

The platform hosts a Digital Library which has a rich collection of books on management, self-development and academics – for the children of employees. It further enables top management to send video messages to employees on important occasions as well as initiate a meeting. Features like conducting synchronous learning, polls and surveys and making available important circulars can be achieved through it.

MADU EMPOWERS FIELD STAFF

MADU platform being available on Mobile App, the field employees enjoy the benefit of accessing it from anywhere. Additionally, the platform has been enabled with an intranet email facility MECONNECT which has worked wonders in field staff communications with advantage of better connectivity, large cost savings and enhanced data security.

MADU ENABLES HIGHER EDUCATION

We have a Higher Education module on MADU. Employees desirous of undertaking courses through prestigious International/National Universities and Manappuram associated Institutions, can check on the options available to them and apply for the same.

MADU COMES IN HANDY DURING PANDEMIC

During the COVID-19 pandemic when the employees worked from home, MADU platform became a go-to solution for them to easily access and hone their skills through the eLearning courses available in it.

ACHIEVEMENTS

Manappuram Finance Limited has won two awards at the prestigious Tata Institute of Social Science (TISS)-Leapvault CLO Awards India. Manappuram was awarded in the categories of 'Learning & Development Team of the Year' and 'Best Skill Development Initiative.' The recognition follows the company's success in initiating learning and development in the company through "MADU", its advanced Learning Experience Platform developed in-house.

Smt. Smriti Irani, Union Cabinet Minister for Women and Child Development, gave away the awards. The function was held at the iconic Bombay Stock Exchange Building and Dr. Renjith P.R, Chief Learning Officer & Vice President, and Mr. Satheesan Ramanunni, AGM received the awards on behalf of the company.

1,100
e-learning courses available on MADU

88 hours
Duration of e-learning course by each of our employees

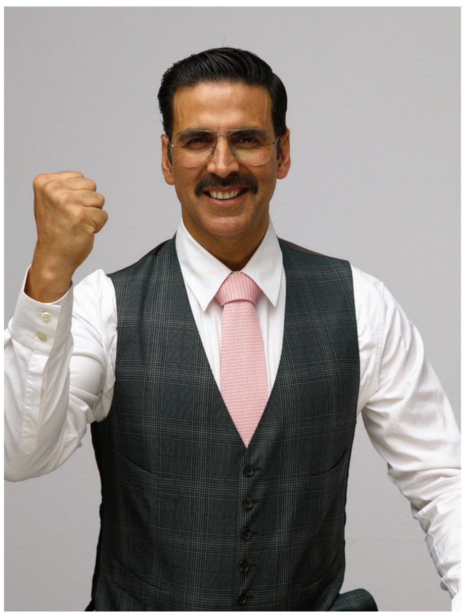
BENEFITS ACHIEVED FROM MADU

- Better tracking employee skills
- Savings in employee time
- Expedited and focused learning
- Freedom to attend eLearning courses as per convenience without affecting the work schedule
- Savings in expenses relating to training

Branding and Marketing

BUILDING A STRONGER AND TRUSTED BRAND

Manappuram Finance is one of India's most recgonized and trusted brands. Our brand power is further strengthened by endorsements from leading celebrities. Each year, we continue to undertake a strategic mix of branding activities leveraging both traditional and digital media to strengthen our brand equity and connect with customers. With the meteoric rise of social media, we have built presence on various platforms to actively engage with our customers.



ADOPTING A FOCUSED MARKETING APPROACH

We undertake a combination of brand-based and branch-based marketing to ensure wider outreach as well as to deepen the awareness in immediate neighborhood.

We intensified local marketing activities within the branch catchment areas through local cable tv advertisements, hoardings, shop tie-ups, wall paintings and notice/leaflets distribution.

We also undertook extensive promotion of Doorstep Gold Loan to drive awareness among customers averse to visiting branches due to pandemic fear. Advertisements in mainline vernaculars, television and radio and in social media were carried out to strengthen national branding.

DIGITAL MARKETING AND SOCIAL MEDIA INITIATIVES

Given the rising popularity and significant user base on social media platforms, we are actively using them to connect emotionally with our products and services. Various consultants and agencies have been appointed for the same. Our activities are focused around creating brand share of voice and SEO marketing to strengthen brand visibility. The programmatical nature of these media are also enabling us to identify the exact needs and provide customized services. Based on this finding, we are actively publicizing Doorstep Loan facilities in Tier II cities and remote locations with a mobile first approach and adaptive creatives across all popular social media.

We have also undertaken efforts to improve local search by optimizing the Google My Business (GMB) facility. To make our brand more appealing and discoverable, website is being revamped with the minimalistic trend and a hybrid approach of Customer-Celebrities-Product focused with the objective of highlighting convenience and lead generation.

OUR DIGITAL MARKETING IMPACT

4,69,082
followers

28,159
Likes in Instagram

35%
Of daily customers acquisitions sourced through digital medium

BOARD OF DIRECTORS

1.

1 2 3 9

2.

3 4 5 6 7 8

3.

1 3 6 8

4.

6 7 8

5.

1 2 3 9

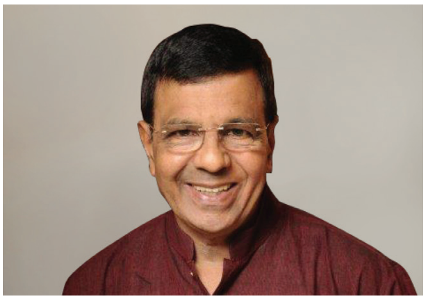
6.

1 3 7 9 10

7.

1 2 3 9

8.



10

9.

1 2 7

BOARD COMMITTEE

1. Audit Committee
2. Nomination Compensation and Corporate Governance Committee
3. Risk Management Committee
4. Asset Liability Management Committee
5. Debenture Committee
6. Financial Resource and Management Committee
7. Corporate Social Responsibility Committee
8. Stakeholders Relationship and Securities Transfer Committee
9. Credit Committee
10. IT-Strategy Committee

1. MR. SHAILESH J. MEHTA
Chairman, Independent and Non-Executive Director

He has completed his Bachelor of Technology in Mechanical Engineering from IIT, Mumbai and holds a master's degree and a Doctor of Philosophy degree in Operations Research & Computer Science from Case Western Reserve University. He also holds Hon. Doctorate in Human Letters from the California State University. He has over 45 years of work experience and has held the positions of President, Granite Hill Capital Ventures; Chairman and Chief Executive Officer, Providian Financial Corporation; Operating General Partner, West Bridge Capital; President and Chief Operating Officer, Capital Holding Insurance group; and Executive Vice President, Key Corp. He has also served on the U.S. Board of Master Card International, Board of PayPal Inc, Chairman of First Source Solutions and Trustee of California State University System. He is founder of the Shailesh J. Mehta School of Management at IIT Bombay.

2. MR. V. P. NANDAKUMAR
Managing Director and Chief Executive Officer

He is a post-graduate in Science with additional qualifications in Banking and Foreign Trade. He started his career with the erstwhile Nedungadi Bank. In 1986, he resigned to take over the family business, following the demise of his father, V.C. Padmanabhan. In 1992, he promoted Manappuram Finance Limited and has been a Director of the Company since then.

He is a managing committee member of leading trade and industry associations such as Associated Chambers of Commerce (ASSOCHAM) and Federation of Indian Chambers of Commerce (FICCI). He is also a former Chairman of the Kerala State Council of the CII and a finalist at the EY Entrepreneur of the Year Awards 2017.

3. MR. P. MANOMOHANAN
Independent and Non-executive Director

He holds a bachelor's degree in Commerce from the Kerala University and a Diploma in Industrial Finance from the Indian Institute of Bankers (IIB). He is also a Certified Associate of the IIB. He has over 38 years of experience in the RBI and in regulatory aspects of NBFCs. He retired as General Manager of the RBI, Department of Banking Supervision, Trivandrum, and served on the Boards of South Indian Bank and Federal Bank.

4. Adv. V. R. RAMACHANDRAN
Independent and Non-executive Director

He holds a bachelor's degree in Science from the Calicut University and a bachelor's degree in Law from the Kerala University. He has over 32 years of experience and is a civil lawyer enrolled with the Thrissur Bar Association.

5. MR. GAUTAM NARAYAN
Non-executive Director

He is a Chartered Accountant with a post-graduate diploma in Management from Indian Institute of Management (IIM), Ahmedabad. He is a Partner with Apax Partners and leads investments in financial services and business services in India. He is actively involved in the not-for-profit sector and contributes in a Board / Advisory capacity to Mann Deshi Foundation (focused on development of women entrepreneurs in rural Maharashtra) and Toolbox India Foundation (focused on capacity building services). He was recognized among the 40 under 40 business leaders by the Economic Times in 2017.

6. MR. ABHIJIT SEN
Independent and Non-executive Director

He has a B. Tech (Hons) degree from the Indian Institute of Technology (IIT), Kharagpur and a Postgraduate Diploma in Management from IIM, Kolkata with majors in Finance and Information Systems. He retired as Chief Financial Officer of Citibank, India Subcontinent in 2015 post 20 years of service. Post retirement, he is associated with a large Big 4 firm as an External Advisor, for their activities in the banking and financial services sector. He serves on several Boards including Kalyani Forge, Trent, U Gro Capital, Ujjivan Micro-Finance and Cashpor Microcredit. He also chairs the Audit Committees of Kalyani Forge, Tata Investment Corporation and U Gro Capital in addition to participating on several other Board Committees. In the past, he was on the Boards of National Securities Depository Ltd and various Citi entities and has been an external advisor to General Atlantic.

7. MR. HARSHAN KOLLARA
Independent and Non-executive Director

He is an alumnus of Mumbai University. He has over 40 years of experience in banking and financial services in India and abroad. He has been with diverse institutions like Union Bank of India and ICICI bank (as EVP and Head of International banking), Union Bank of California (as Vice president and Regional Head of South Asia Region) and Federal Bank (as its Executive Director). He has been the Non-executive Director of Experian Credit Information Company of India Private Limited and is a person regulated by the Financial Conduct Authority (FCA). He has extensive experience in foreign exchange, cross-border trade finance, payment business, consumer credit, core banking application system implementation, and compliance including anti-money laundering, counter-terrorism financing and financial crime prevention practices. He is experienced in global standards and best practices in governance.

8. MR. S.R. BALASUBRAMANIAN
Non-Executive Director

He holds a Bachelor degree in Engineering (Electronics) from Madras University and has a Post Graduate Diploma in Computer Science from IIT Bombay. He has over 43 years of experience in Information Technology at various capacities, majorly in the BFSI space. He was the former VP of Citibank and has worked in India, Singapore and Kenya. He played a key role as Technology Head for implementing Cash Management Technology in Citibank during the early 90s. He was with HDFC Bank for over seven years as Senior VP and moved to IT Advisory role for few banks in India and was Business Advisor to a software company and served there for 4 years. He was the former Board member of Quantum Asset Management Company (P) Ltd and currently is the member of its Information Security Committee, providing his service as an external expert.

9. MS. SUTAPA BANERJEE
Independent and Non-executive Director

She is a gold medalist in Economics from the XLRI School of Management, and an Economics graduate from the Presidency College Kolkata. She has spent nearly 24 years in the financial services industry in two large multinational banks, ANZ Grindlays and ABN AMRO, and a boutique Indian investment bank, Ambit where she built and headed several businesses. She was voted as one of the 'Top 20 Global Rising Stars of Wealth Management' by the Institutional Investor Group in 2007 – the only Indian and the second from Asia.

Corporate Social Responsibility

CREATING DIFFERENCE WITH EMPOWERED COMMUNITIES

We undertake CSR activities under the aegis of Manappuram Foundation. It has a dedicated and passionate team, who are driving meaningful change in the areas of education, healthcare and empowering underprivileged sections.

FACILITATING QUALITY EDUCATION

At Manappuram, we believe that quality education is key to the growth of individuals and the nation. We are running several schools and institutions that provide best education and nurturing, that pave the path for their success. These include:

MANAPPURAM GEETHA RAVY PUBLIC SCHOOL (MAGEET PUBLIC SCHOOL)

The school provides education to students up to the 8th standard. It imparts learning through a modern Montessori method at subsidized rates, combined with latest technology in education and co-curricular field.

MUKUNDAPURAM PUBLIC SCHOOL, NADAVARAMBA

The school is affiliated to the Indian School Certificate Examination (ICSE) board and offers quality education at minimal rates to the local community, achieving commendable results in academics.

MANAPPURAM ACADEMY OF ENTRANCE COACHING

These Academies offer good quality coaching facilities at nominal fees to students, hailing primarily from weaker sections. They are equipped with modern facilities like digitalized classrooms, on-line test facility and seminar halls. Students belonging to the weaker sections are provided a concession of 50%.

MANAPPURAM ACADEMY OF PROFESSIONAL EDUCATION

The Academy offers coaching for professional courses such as CA, CMA, CS, ACCA at a reasonable fee through eminent faculties and has efficient infrastructure including digitalized class rooms, library etc. Students belonging to the weaker sections are provided a concession of 50%.

MANAPPURAM INSTITUTE OF AUTOMOTIVE SKILLS

The institute is affiliated with Automotive Skill Development Council (under National Skill Development Council). Offering certified Auto Body Repair and Technician / Denter courses with eight months of institute training and four months internship at leading auto dealers, it ensures 100% placement to all qualifying students.

PROMOTING A HEALTHIER SOCIETY

MAHIMA COUNSELLING AND PSYCHOTHERAPY CENTERS

We run Manappuram Action for Health Intervention in Mental Ability (MAHIMA) center in Valapad Panchayat. Aimed at uplifting mental health of individuals, it provides dedicated counseling for family, student, adolescent and de-addiction through experts in psychiatry and psychology. Regular specialist services of well-qualified Clinical Psychologists and Speech Therapist are also available.

Further, special training programs (including personality development) are arranged for the children with learning and cognitive disability. This is done in support of local administration across aided and unaided schools, Anganwadis and Kudumbasree Mission. MAHIMA also focuses on the training and workshop for teachers and parents.

YOGA CENTER (MAYoga) & FITNESS CENTER (MAFit)

Manappuram Foundation has an aesthetic Yoga center and a Fitness center with excellent infrastructure and facilities. These center also conduct seminars on fitness, healthy living, stress management and diet-plan regularly as well as spread awareness on mental and physical health.

MANAPPURAM AMBULANCE SERVICE

We provide ambulances as advanced medical transportation services in Valapad and adjacent rural areas. Presently, two well-equipped ambulances (one having ICU facility) are serving the coastal area in Thrissur on a subsidized basis and at free for accident victims. To strengthen and ensure promptness of preventive healthcare, we have added five more well-equipped ambulances into the fleet. Our fleet are equipped with advanced technologies like neonatal facility, 24x7 tele calling and mobile application for instant calling and have well-trained drivers and paramedics.

MACARE DIAGNOSTIC CENTERS

MAcare is an ambitious and revolutionary initiative aspiring for a healthier world by working towards reducing availability and affordability gap for quality healthcare services. These centers are fully equipped with automated and latest technology oriented medical equipment and machineries.

MANAPPURAM AQUATIC COMPLEX (MAC)

MAC promotes the core aquatic skills of the people in rural areas and provides efficient swimming coaching to the kids to create competitive swimmers.

COMMUNITY AND RURAL DEVELOPMENT

COVID PREVENTION AND RELATED ACTIVITIES

FY 2021-22 saw resurgence of COVID-19 pandemic and we continued with our efforts to help the community. We distributed marks, sanitizer, thermometers as well as grocery kits (in Valapad and adjacent panchayats). Ventilators were donated to hospitals and computers and other equipment to Community Health Centers. Further, to promote quality online education, mobile phones and study equipment were donated.

SUPPORTING COMMUNITIES

Financial assistance for medical treatment

52

BPL patients at Manappuram Chikilsa Sahaya Padathi supported

Home for Homeless project

48

houses constructed and renovated for homeless people directly and/or in association with NGOs

Supported physically challenged BPL people including donation of four-wheeler scooters and wheelchairs

Distribution of necessary infrastructure and equipment to support schools and educational institutions

Financial support to the female athletes of Valapad Coastal belt

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FOCUS

Sustainability is integral to achieving our strategy and fulfilling vision of creating value for our stakeholders. We are actively encouraging sustainable practices within the organization and our people which is enabling us to improve business performance, brand success and overall reputation.

ENVIRONMENTAL

- Following all environmental compliances
- Focus on optimizing energy consumption through use of energy-efficient lighting and air-conditioning systems and sensitizing employees
- Smart use of technology which has significantly reduced paper consumption and prevented emissions by minimizing the need to travel
- Ensuring efficient consumption of materials and water
- Adhering to waste management practices with all e-waste being disposed as per compliance through registered vendors

SOCIAL

EMPLOYEES

- Robust talent management approach led by an industry-leading internal online learning platform MADU as well as external training support; a total of 23,20,560 hours of learning and development was provided in FY 2021-22
- Reputation as a diverse and inclusive employer with 18.84% female employees
- Empowered people through digital technologies which is enabling better productivity across operations

CUSTOMERS

- Positioned as a one-stop shop for customer's borrowing and protection needs with a diverse portfolio
- Superior experiences through customer relationship management practices and digital enablement
- Pioneering initiatives of online and doorstep gold lending improving customer experience and safety
- Ensured sustained lending during the pandemic when our customers needed the most

COMMUNITY

- Empowering women in families through gold lending business
- Enabling quality education for students across our two schools and other academies
- Promoting better physical and mental healthcare
- Operating seven ambulances to facilitate preventive healthcare
- Enabling fight against COVID-19 pandemic through distribution of masks, sanitizers, grocery kits to public and donating ventilators, computer and other necessary equipment to hospitals and health centers
- Supporting female athletes, BPL people and patients and homeless

GOVERNANCE

- Ethical practices, strict internal control and well-organized management
- Experienced and diversified Board with adequate independence (more than 2/3rd directors are independent)
- Strong risk management framework led by Board oversight, compliance department, internal audit and risk management committee

MANAGEMENT DISCUSSION AND ANALYSIS

MANAPPURAM FINANCE LIMITED – AN OVERVIEW

Manappuram Finance Limited ("MAFIL" or "the Company") has been a renowned Non-Banking Financial Company (NBFC) serving the credit requirements of people belonging to the lower socio-economic classes, particularly in rural and semi-urban areas of India. The Company offers a range of retail credit products and financial services. The Company has a diversified lending portfolio encompassing retail, microfinance, SME and commercial customers. It has been the second-largest gold finance NBFC in India. The Company makes credit against the security of used household gold jewellery (henceforth referred as gold loan) (henceforth referred as gold loan). Company's short-term gold loan product has been utilized largely by customers who demand immediate funds and may not have access to other types of formal credit readily available. The Company competes directly with the informal moneylenders and pawnbrokers, offering financial inclusion to the marginalised.

Asirvad Microfinance Limited, a licenced NBFC-MFI with the Reserve Bank of India, provides microfinance loans and other financial services to low-income rural and semi-urban communities in India. Through another subsidiary, Manappuram Home Finance Limited, the Company provides loans to customers in the affordable housing market for home building, extension, purchase, and improvement. The third subsidiary, Manappuram Insurance Brokers Limited, offers life and non-life insurance products via partnerships with numerous top insurance firms. The recently purchased Manappuram Comtech and Consultants Limited provide cost-effective and high-quality IT solutions with over two decades of experience.

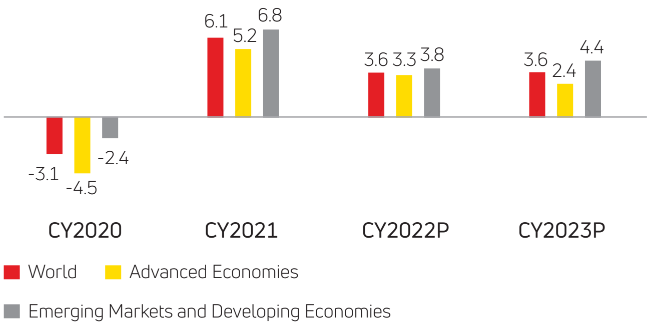
ECONOMIC REVIEW

GLOBAL ECONOMIC OVERVIEW

Around two years ago, the world was engulfed in a crisis that caused an unparalleled decline in economic activity, the loss of lives and livelihoods, and few difficulties. Central Banks and governments responded swiftly to the crisis by implementing liquidity support measures and fiscal safety nets. In 2021, the IMF estimated a worldwide economic growth of 6.1% in 2021. Broadening global inflation, geopolitical tensions, and their spill overs weigh on global economic growth. International commodity prices, already rising due to demand-supply imbalances, spiked due to Russia-Ukraine crisis in early March 2022 and remained volatile thereafter.

CENTRAL BANKS AND GOVERNMENTS RESPONDED SWIFTLY TO THE CRISIS BY IMPLEMENTING LIQUIDITY SUPPORT MEASURES AND FISCAL SAFETY NETS. IN 2021, THE IMF ESTIMATED A WORLDWIDE ECONOMIC GROWTH OF 6.1% IN 2021.

WORLD ECONOMIC OUTLOOK (%)



Source: IMF April 2022 report

As a result of decreasing supplies, the costs of a large number of commodities have increased dramatically. Following the announcements of US and IEA oil stock releases, crude prices have decreased by almost US$ 10 per barrel, with ICE Brent last trading at approximately US$ 104 per barrel in April 2022, according to the IEA Oil Market Report for April 2022. The FAO food price index touched a record high of 159.3 in March. The increase was widespread, with vegetable oil and cereals showing the most acceleration.

As a result of elevated commodity prices, headline inflation in many advanced economies soared to new record highs, prompting central banks to tighten monetary policy despite rising economic threats. In its May meeting, the US Fed raised the target range for the Federal Funds rate to 0.75-1%. The Bank of England resumed tightening monetary policy by lifting its policy rate by 25 basis points in March, the third hike in a row, to 0.75%. Inflation has been growing more entrenched and broad-based across economies. Ongoing geopolitical crises and fear of supply disruptions have further heightened inflationary threats. Globally, monetary policy actions and policies tend to unwind stimulus and normalise, but at different speeds.

OUTLOOK

The IMF now expects the inflation rate to remain elevated for a longer period of time than previously anticipated. Inflation has been anticipated to be 5.7% for developed nations and 8.7% for emerging and developing economies in 2022.This has resulted in a downward revision of the April WEO (World Economic Outlook) prediction to a growth rate of 3.6% in 2022 and 2023, with both Russia and Ukraine anticipated undergoing significant GDP declines in 2022. The IMF has revised downward the medium-term outlooks for all groups, with the exception of commodity exporters, who have benefited from the rise in oil and food prices. It would take longer for the aggregate output of advanced economies to return to pre-pandemic levels.

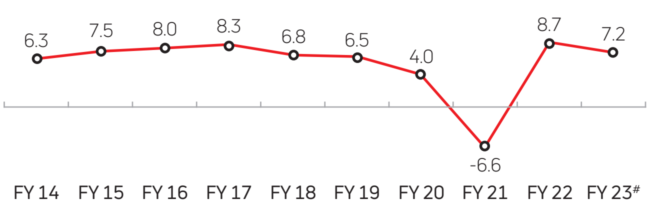
Moreover, the disparity between advanced countries and Emerging Markets and Developing Economies (EMDEs) that arose in 2021 has been predicted to persist, revealing some long-term scarring from the pandemic. As a result of the crisis, EMDEs may be able to acquire vacated Russian and Ukrainian markets. In consequence, their GDP growth rate has been anticipated to increase and stabilise at 4.4% in 2023, following a decline to 3.8% in 2022.

In the near future, many governments would need to diversify their energy sources and increase efficiency wherever possible in order to mitigate the impact of growing energy prices. The countries most hurt by an interruption in supply from Russia and Ukraine would profit from an increase in OECD output, the absence of protectionism, and multilateral logistics help.

INDIAN ECONOMIC OVERVIEW

The Indian economy consolidated its recovery, with the majority of its components surpassing pre-pandemic activity levels. Imminent obstacles include heightened global risks resulting from slowing growth, increased inflation, supply disruptions due to geopolitical spillovers, and financial market volatility resulting from synchronised monetary tightening. The Provisional Estimates of Annual National Income report predicted India's real GDP growth for FY 2022 at 8.7%. On the supply side, real gross value added (GVA) rose by 8.3% in FY 2022, with its key components, notably services, exceeding pre-pandemic levels.

INDIAN ECONOMIC GDP GROWTH (%)



Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1829784
#Reserve Bank of India - Press Releases (rbi.org.in)

With the fast ebbing of the third wave of the Covid-19 pandemic in Q4FY 2022, high frequency indicators showed mixed signs of recovery. Urban demand reflected in domestic air traffic rebounded, while passenger vehicle sales, rural demand for two-wheelers & tractors slowed by the end of the year FY 2022. Merchandise exports grew double-digits for the thirteenth consecutive month in March 2022 and reached US$ 417.8 billion in FY 2022, surpassing the target of US$ 400 billion. All import categories have risen faster, resulting in a goods trade deficit of US$ 192 billion in FY 2022, or 6.1% of GDP.

It is anticipated that the nation has produced a record 314.51 million tonnes of foodgrains in FY 2022, which is 3.77 million tonnes more than the amount produced in FY 2021. The production of foodgrains in FY 2022 has been 23.80 million tonnes greater than the average of the preceding five years. This record output of so many crops is the consequence of the farmer-friendly policies of the government as well as the tireless hard work of the farmers and the dedication of the scientists.

In CY 2021, the Indian equity market outperformed not only its Asian peers but also the developed market. In the fourth quarter of FY 2022, however, Indian stocks have remained under pressure, echoing unfavourable global trends. In terms of increased volatility, Indian equities followed global markets, but significantly outpaced their developing and developed market peers. The Nifty 50 Index and the NIFTY 500 Index both increased by 18.9% and 21% in FY 2022. In FY 2022, the Nifty Midcap 50 and Nifty Small cap 50 Indexes increased by 20.9% and 18.4%, respectively.

Inflation climbed up to 7% in March, hitting the maximum tolerance threshold. The majority of the inflation was caused by a significant increase in food and energy prices. The RBI increased the policy repo rate by 50 basis points to 4.90% to combat inflation. The Reserve Bank of India anticipated that the Consumer Price Index (CPI) inflation rate will be 5.7% in FY 2022 and 5.5% in FY 2023 (new base 2012=100).

The average daily absorption (via fixed and variable rate reverse repos) under the LAF (liquidity adjustment facility) was ₹ 7.5 lakh crore in March, down from ₹ 7.8 lakh crore in January-February 2022. Reserve money grew by 10.9% (y-o-y) on April 1, 2022 (adjusted for the cash reserve ratio adjustment). As of March 25, 2022, M3 and bank credit by commercial banks climbed 8.7% and 9.6%, respectively. In FY 2022, India's foreign exchange reserves rose by US$ 30.3.

OUTLOOK

Elevated worldwide price pressures on important food commodities, such as edible oils, and in animal and poultry feed as a result of global supply constraints create a significant degree of uncertainty over the future of food prices, necessitating continual monitoring. International hurdles have slowed India's economic progress, yet the country has remained resilient in the face of such obstacles. The Reserve Bank of India projected that the headline Consumer Price Index (CPI) inflation rate has been expected to be 6.7% in FY 2023. The majority of the inflation was attributable to a substantial increase in food and energy prices. To combat inflation, the RBI lifted the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points to 4.90% with immediate effect. The future course of the pandemic and the uncertainties about the pace of monetary policy normalisation in major advanced economies also weigh on the outlook. Taking all these factors into consideration, RBI has been projecting the real GDP growth for FY 2023 at 7.2%, with Q1 at 16.2%; Q2 at 6.2%; Q3 at 4.1%; and Q4 at 4.0%, with risks broadly balanced.

With the broad-based surge in prices of key industrial inputs and global supply chain disruptions, input cost push pressures appear likely to persist for longer than expected earlier. Manufacturing sector firms polled in the Reserve Bank's industrial outlook survey expect higher input and output price pressures going forward. With the waning effect of the third wave and expanding vaccination coverage, the pick-up in contact-intensive services and urban demand has been expected to be sustained.

The government's emphasis on capital expenditure coupled with initiatives such as the production linked incentive (PLI) scheme would stimulate private investment activity in the context of improving capacity utilisation, deleveraged corporate balance sheets, increased bank credit consumption, and favourable financial conditions. Moreover, the escalation of the geopolitical situation and the accompanying increase in international crude oil and other commodity prices, the tightening of global financial conditions, the continuation of supply-side disruptions and significantly weaker external demand pose downside risks to the outlook.

FINANCIAL SERVICES INDUSTRY

The year 2021 tested the resiliency of the world's economy and enterprises, with organisations slowly recovering from the effects of the pandemic. The banking and financial services industry faced a number of difficulties during the course of the year. The pandemic did, however, drive the industry to reevaluate its technology plans and boost digital/branchless banking, rethink the meaning of financial inclusion, provide enhanced services to its consumers, and redefine customer relationships.

The true potential of the industry has been unlocked by digital transformation. Today, every Indian possesses a smartphone and can digitally apply for a loan, complete e-KYC, open a bank account, order food and other necessities, and more. Total digital payment transactions increased from 3,134 billion in FY 2019 to 5,554 billion in FY 2021. As of February 28, 2022, there have been 7,422 billion digital transactions in FY 2022. Current segments of the Indian financial sector include commercial banks, modern fintech startups, non-banking financial firms (NBFCs), co-ops, pension funds, mutual funds, small and medium financial entities, and newly founded payment banks. These diverse financial services offer solutions to a wide variety of customers based on their needs and access. Customers may be individuals, public entities, or businesses. According to Knight Frank's Wealth Report 2022, India's large and expanding customer base contributes to wealth creation. In India, the number of UHNWIs (Ultra High-Net-Worth Individuals) with wealth over US$ 1 million in 2021 was 7.97 lakh, while the number with wealth over US$ 30 million was 0.14 lakh. By 2026, the number of UHNWIs with wealth over US$ 1 million in assets and over US$ 30 million in assets has been projected to reach 14 lakh and 0.19 lakh, respectively.

Bank credit increased at a CAGR of 0.29% over FY 2016 and FY 2021. The total amount of credit extended by banks grew substantially to $1,487.60 billion in FY 2021 and $1,559.81 billion in FY 2022. Comparing March 2022 to March 2021, credit to agricultural and allied activities climbed by 9.9%, compared to a rise of 10.5% the year prior. As of March 2022, overall bank credit has increased to 123 lakh crore from 113 lakh crore in March 2021. In March 2022, credit growth to industry grew to 7.1%, compared to a decrease of 0.4% in March 2021. Credit growth to micro and small industries accelerated to 21.5% from 3.9% and credit to large industries recorded a marginal growth of 0.9% against a contraction of 2.5% during the same period of March last year. Credit growth to the services sector accelerated to 8.9% in March 2022 from 3.0% a year earlier, primarily due to a strong improvement in loan growth to NBFCs and robust credit uptake in 'trade' and 'transport operators'. In March 2022, the amount of credit given to medium-sized firms climbed by 71.4% compared to the previous year's figure of 34.5%. The credit extended to large businesses increased by 0.9% compared to a fall of 2.5% the previous year. In fiscal year 2021-22, total bank deposits increased by 10%, compared to 10.3% in fiscal year 2020-21. Personal loans segment continued to expand at a robust rate and grew by 12.4% in March 2022 from 10.7% in March 2021.

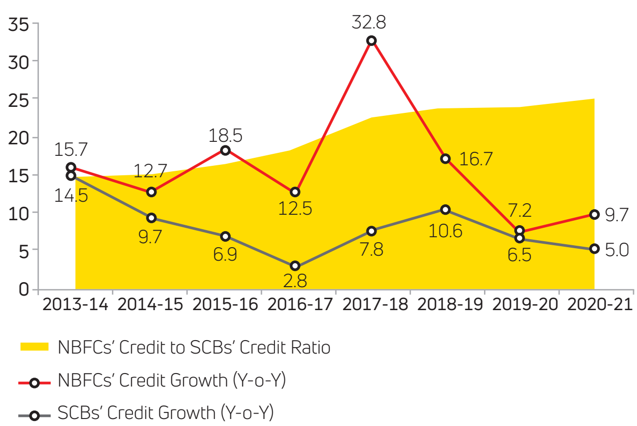
According to a recent report by SBI Ecowrap, Credit growth in India rose by 9.6% YoY to ₹ 10.5 lakh crore in FY 2022. This was led by sharp acceleration in retail loans followed by credit in MSMEs and infrastructure, the report added. Going ahead, in FY 2023, credit growth has been expected to remain positive; however, the current inflation trends followed by rate hikes could dampen the credit demand. In terms of segments, credit growth jumped in MSMEs and Infrastructure sector to ₹ 2.3 lakh crore while for the housing and NBFC sector credit growth was close to ₹ 2 lakh crore. Retail loans expanded by a sharp ₹ 3.7 lakh crore, driven by a surge in personal loans apart from housing credit and credit to agriculture was at ₹ 1.3 lakh crore.

The proportion of gross non-performing assets (NPAs) recovered by public sector banks (PSBs) throughout the financial year has increased from 11.33% in FY 2018 to 13.52 % in FY2019 to 14.69% in FY 2020 and despite disturbances related to Covid-19, it sustained at 12.28% in FY 2021. As per Crisil report, Gross nonperforming assets (NPAs) of banks would increase to 8-9% in FY 2022, well below the peak of 11.2% at the FY 2018.
Source: RBI

NBFC INDUSTRY

The Non-Banking Financial Companies (NBFCs) constitute a significant host of institutions that offer almost all banking services except for issuing self-drawn checks and demand drafts. As financial intermediaries, they are able to solicit funds from the public, whether directly or indirectly, and execute loans to parties having repayment capacity. This segment to which NBFCs provide services includes wholesale/retail merchants, small and medium-sized businesses, and sole proprietors. NBFCs are considered as an extension of banks, frequently offering financial help with a customer-centric focus., The pandemic has tested the resilience of NBFCs, but so far, the sector has emerged stronger with reasonable balance sheet growth, increased credit intermediation, higher capital, lower delinquency ratio and enlarged liquidity cushions. After the pandemic, initiatives such as a moratorium and asset categorization pause improved financial conditions and provided NBFCs time to weather the shock and channel loans to productive sectors to recover growth. Many NBFCs uses strong credit risk assessment frameworks to assure credit quality. The Reserve Bank of India (RBI) has introduced scale-based regulation to enhance the regulatory oversight over the sector effective October 2022. To further strengthen the supervisory tools applicable to NBFCs, the Reserve Bank issued Prompt Corrective Action Framework for NBFCs effective October 2022. The PCA Framework's purpose is to allow Supervisory intervention at the appropriate time and to require the Supervised Entity to initiate and implement corrective measures in a timely manner in order to restore its financial health. This recent amendment of the Factoring Regulation Act can incentivise all NBFCs to boost the MSME sector. Many NBFCs have used the pandemic to reinvent their business models, realising the power of data analytics and big data in business applications. In this regard, many have tied up with FinTech firms to leverage on technological innovations. The recent action has been taken by the RBI to supersede the boards of NBFCs that have failed to repay their debts. This action demonstrates the vigilance with which RBI monitors the sector in order to safeguard the interests of stakeholders and prevent negative consequences on the financial system. As per RBI report NBFC's credit growth grew from 7.2% YoY in FY 2020 to 9.7% in FY 2021. Moreover, NBFCs credit to GDP ratio also improved from 50.6% in FY 2020 to 54.8% in FY 2021.

NBFC'S CREDIT TO SCB'S CREDIT RATIO AND GROWTH (%)



Source: RBI Publication dated 28 December 2021

NBFC balance sheet growth remained healthy in FY 2022 (up to September) due to increased investments. NBFCs' income growth slowed as both NBFCs-ND-SI (Systemically important non-deposit taking non-banking financial company) and NBFCs-D (NBFCs accepting public deposit) reported decreased incomes in FY 2021. The sector has used technology to rationalise spending and mitigate pandemic concerns. Net profits of NBFCs-ND-SI improved after the first wave of COVID-19, and their cost-to-income ratios declined. NBFCs-D saw a moderation in income due to minor growth in fund-based income. Increasing interest payments, cost-to-income ratio, and other expenses led to a drop in profitability. Net profits of NBFCs during H1FY 2022 fell due to lower fund-based income.

The NBFC sector has been anticipated to stay healthy due to the accelerated rate of immunizations and the broader economic recovery. The financial system has been transitioning from a realm dominated by banks to one in which non-bank intermediaries are gaining significance. The sector's developments in FY 2022 indicate even higher potential in the years to come.

THE NBFC SECTOR HAS BEEN ANTICIPATED TO STAY HEALTHY DUE TO THE ACCELERATED RATE OF IMMUNIZATIONS AND THE BROADER ECONOMIC RECOVERY.

OUTLOOK

Strong development potential exist for NBFC-IFCs as demand for infrastructure loans is anticipated to increase in tandem with the government's determination to revitalise economic growth by focusing on the infrastructure and rural sector. In the first nine months of FY 2022, both non-banking financing firms (NBFCs) and banks experienced moderate annualised growth in infrastructure-focused loan books, according to ratings agency ICRA Ltd. It further anticipates that the asset under management (AUM) of non-banking financial companies (retail) would increase by 5% to 7% in FY 2022 and by 8% to 10% in FY 2023. Personal credit, microfinance, and gold loans are projected to be the key growth drivers within the NBFC-retail market, as other traditional asset segments, such as car finance and commercial credit, continue to face challenges due to supply shortages and asset quality concerns. While disbursement and AUM trends returned in Q2 and Q3 of FY 2022, the trend has been projected to continue in Q4 of FY 2022, as the third pandemic wave had little influence. In line with the trend observed over the past two years, the sector's liquidity has remained adequate, with most businesses retaining a three-month repayment buffer. ICRA further anticipates that the NBFC and HFC return on managed assets (RoMA) would approach the COVID-19 levels of 2.7% to 2.9% and 1.8% to 2% in FY 2023.

India's Ratings and Research (Ind-Ra) anticipates an increase in systemic interest rates and asset quality difficulties in certain areas due to the lagging impact of the pandemic, which would have a negative influence on the operating performance of NBFCs. The secured asset business for NBFCs may experience resurgence in FY 2023, with loan growth of 14%, compared to 7-8% in FY 2022. In the meantime, it was stated that NBFCs would need to reassess their funding options in light of imminent interest rate hikes. Even if the headline asset quality numbers may appear to be excessive, it has been anticipated that credit costs would normalise in FY 2023.

GOLD LOAN INDUSTRY

In the past few years, banks have become key players in the gold lending industry. During the same time period, the growth rate of new gold loans at banks has been higher than that of non-bank lenders. The assets under management (AUM) for gold loan industry has been organised, or serviced by banks, NBFCs, and cooperatives. However, the major share of gold loan stays with moneylenders and the informal sector. About just a third of India's US$ 128 billion is under the organised sector.

Although private sector banks enjoy a cheaper cost of capital, structural restrictions such as restricted geographic distribution (gold loan enabled branches), gold assessment capabilities, and regulatory constraints make it difficult for them to compete with NBFCs.

Over the past two decades, NBFCs specialising in gold loans have developed extensive distribution networks and achieved great scale by offering consumers speed and convenience. NBFCs accounted for 26% of the industry and continue to expand at 1.5 times the market average in FY 2021. Gold Loan NBFCs showed AUM growth of 20.8% YoY as compared to 82% YoY growth in gold jewellery loans experienced by banks during FY 2021; such high outperformance by banks can be primarily attributable to relaxation in LTV limits for banks until March 2021 and increased attention on this sector by banks.

NBFCs experienced a decrease in revenue during the first quarter, which was caused by the implementation of lockdown procedures in response to the Covid-19 pandemic's new variants outbreak. However, demand for gold loans from micro enterprises and individuals – to fund working capital and personal requirements, respectively – has increased with the pick-up in economic activity and the onset of the festive season, which coincides with the easing of lockdown restrictions by several states. During FY 2022, the assets managed by NBFCs, whose primary business is to issue loans against gold, is expected increase by 18%-20% to a total of ₹ 1.3 lakh crore, according to the CRISIL report.

Competitive Strategies of Specialised Gold Loan NBFCs: Banks have access to a substantial amount of low-cost funds, which keeps their cost of funds low. As a result, banks are able to offer gold loans at a cheaper rate of interest than NBFCs, which raises capital from a variety of different sources at a greater cost. Nevertheless, specialised gold loan NBFCs has implemented effective competitive strategies. Despite the higher interest rates that NBFCs demand on their products, customers have continued to patronise specialised gold loan NBFCs due to their competitive strategies as mentioned below.

1. **Turnaround time:** The turnaround time for NBFCs has been significantly faster than that of banks. This has been due to the smaller loan ticket size, the borrower's desire to obtain the loan amount as quickly as possible, and the availability of workers who are well-trained and experienced in the evaluation and valuation of the gold collateral being pledged.

2. **Convenience and geographic reach:** NBFCs have a broader geographic reach, particularly in the south, with extensive coverage in non-metro, semi-urban, and rural areas. Borrowers interested in gold loans are more likely to choose a specialised NBFC over a bank if the location has been convenient and reduces the risk of travelling with precious assets.

3. **Localised familiarity:** In NBFC branches, personnel transfers are less common than in banks, ensuring that staff remain in place for a longer period of time and become familiar with the local clientele. Typically, the personnel are locals who can talk with the borrowers in their native tongue, ensuring familiarity and comfort, especially when comprehending the financial terms and conditions.

4. **Availability:** Since gold loans are only a small portion of a bank's overall portfolio, they do not have full-time workers specialising in appraising and advancing gold loans. Since the appraisal has been performed by a professional appraiser, loans can only be advanced when he has been available. On the other hand, specialised NBFCs use a large number of qualified and specialised personnel to evaluate collateral and release loans rapidly. In addition, the business hours of gold loan NBFCs are longer than those of banks. Therefore, a customer can more readily obtain a gold loan from NBFCs.

5. **Greater use of technology:** Gold-loan NBFCs utilise technology in a more extensive manner. Technology-based solutions for gold loan distribution, such as Online Gold Loan and Doorstep gold loan, consist of online/mobile based customer acquisition, which has been entirely "branch free" and assaying gold at the borrower's home, which provides a discrete and convenient way to borrow. These NBFCs have expanded their online gold loan business in recent years. The customer only needs to visit the branch once for these operations, to deposit the gold. After that, all transactions, including loan repayment and renewal, can be completed online. Gold financiers also permit consumers to retain their gold in the financier's lockers after the loans have been repaid, with the option to borrow against the jewellery through the online manner at a later date.

DURING FY 2022, THE ASSETS MANAGED BY NBFCS, WHOSE PRIMARY BUSINESS IS TO ISSUE LOANS AGAINST GOLD, IS EXPECTED INCREASE BY 18%-20% TO A TOTAL OF ₹ 1.3 LAKH CRORE, ACCORDING TO THE CRISIL REPORT.

OUTLOOK

On the demand side, a growing number of individuals, households, and enterprises in India are anticipated to apply for gold loans during a period of tighter credit and higher gold prices, as well as increased financial stress caused by income loss due to moderation in economic activity. Moreover, if credit standards for other financial instruments tighten, they may continue to borrow repeatedly (re-pledging their gold collateral to draw further new loans). On the supply side, banks intend to aggressively expand their gold loan assets by modernising their existing digital lending infrastructure to improve turnaround time.

It is expected that the global and domestic economy to enter a gradual recovery, supported by widespread COVID-19 vaccine regimes and the restoration of global and local economic activity, despite a gradual correction in gold prices as the credit environment improves and the financial health of households and small businesses improves. Thus, borrowers' motivation for utilising gold loans would shift from quickly resolving financial distress to the usual motivation of achieving financial goals or satisfying reasonable demands such as health, education, and marriage etc.

Gold loans possess high asset quality. The performance of NBFCs continues to improve, as seen by a small rise in GS3 (gold standard 3) levels in the first nine months of FY 2022. The gold standard is a monetary system in which the value of a currency is connected to the price of gold. The credit rating agency, "CARE" projects that the GS3 levels will reach 1.8% as of March 31, 2022, an increase from the 1.4% level as of March 31, 2021. On the other hand, it is anticipated that the cost of credit would not change. It also forecasts that the assets under management (AUM) of gold loan NBFCs would experience growth of 6% during FY 2022, and 11.4% during the FY 2023, as a result of the industry's continued emphasis on expansion. CARE's growth predictions are exposed to an upside risk due to the sustained surge in gold prices. The major growth drivers aiding in the growth of gold loan industry are as follows:

KEY GROWTH DRIVERS

Demand for Gold Jewellery	Digitalisation	Stagflation concerns	Post -Pandemic Effects
• Indians' long-standing and sentimental attachment to gold and the motivation to accumulate gold has been seen as the bedrock and the mainspring for the gold loan industry	• It has become essential for banks and NBFCs to step up digitalisation as customers become more and more technology-savvy	• Investing in gold jewellery looks increasingly interesting as a hedge against inflation in India and abroad.	• Gold loan fulfills the requirement for liquidity at a time when alternative sources of funding are less freely available and that could last for months until economic activity recovers to pre-Covid levels.

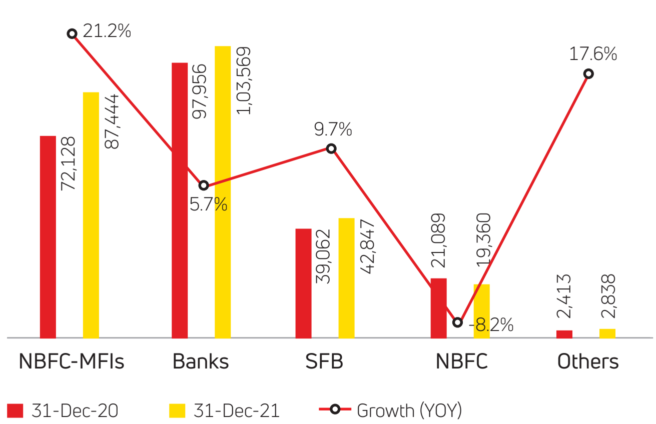
Source: Gold-loan NBFCs set to clock 18-20% growth in current fiscal (crisil.com), 15032022123309_Gold_Loan_NBFCs_Snapshot.pdf (careratings.com)

OVERVIEW OF OTHER BUSINESS VERTICALS

MICROFINANCE INDUSTRY (MFI)

NBFC-MFIs (Non – banking Financial Companies -Microfinance industry) have had a turbulent ride in the past few months. The second wave of Covid-19 pandemic washed away disbursements and collections in the first quarter of FY 2022, as once again the economy had to shut down. The microfinance sector exhibited signs of recovery during the fourth quarter of FY 2022, indicating that field activities have returned to near normal levels. According to MFIN's Micrometer report Q3 – FY 2021-22 dated31 December 2021, the microfinance industry served 5.57 crore unique borrowers, through 10.58 crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of ₹ 2,56,058 crores. NBFC-MFIs are second largest provider of micro-credit with a loan amount outstanding of ₹ 87,444 crore, accounting for 34% to total industry portfolio. SFBs (Small Finance Banks) have a total loan amount outstanding of ₹ 42,847 crore with total share of 17%. NBFCs account for another 8% and Other MFIs account for 1% of the industry.

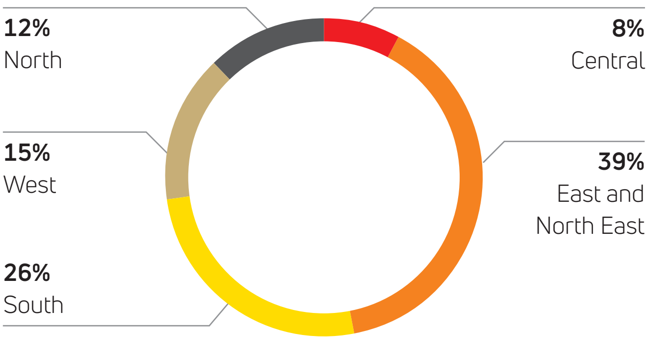
PORTFOLIO OUTSTANDING OF THE MICROFINANCE INDUSTRY (₹ CR)



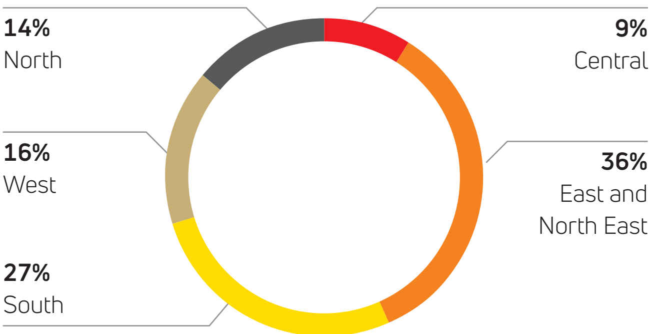
Source: Micrometer Q3 – FY 2021-22

The regional spread has been depicted in the pie-chart below which shows around 65% portfolio has been concentrated in East & Northeast and South regions. The Top 10 states (based on universe data) constitute 81.9% in terms of GLP. West Bengal has retained its spot as the largest state in terms of portfolio outstanding followed by Tamil Nadu and Bihar. Among Top 10 states, West Bengal has the highest average loan outstanding per unique borrower of ₹ 53,110 followed by Kerala at ₹ 43,838.

REGIONAL DISTRIBUTION OF PORTFOLIO 31 DECEMBER 2021



REGIONAL DISTRIBUTION OF UNIQUE BORROWERS 31 DECEMBER 2021



Source: Micrometer Q3 – FY 2021-22

The pandemic-induced lockdowns severely affected the microfinance industry. Disbursements and collection activities came to a complete halt in April 2020. Stressed assets of non-banking financial companies-microfinance institutions (NBFC-MFIs) are estimated to have decreased by a significant 800 basis points to 14% as of March 2022, after reaching a peak of 22% in September 2021. These stressed assets include 30 or more portfolios at risk (PAR) and loan books that are in the process of being restructured. The harmonized microfinance guidelines for all regulated entities which have been expected soon would further boost the sector by providing a level playing field for NBFC-MFIs.

OUTLOOK

On the back of a resurgence in industry growth that might reach 30%, India Ratings has revised upwards its outlook on the microfinance industry to 'neutral' for FY 2023, moving it up from 'negative' in FY 2022. In comparison to the below 10% increase in AUM (assets under management) seen in each of the prior two years, it is expected that the industry will experience growth of 20%-30% in both FY 2022 and FY 2023. Due to yield constraints, mid- and small-sized MFIs have not experienced comparable growth. This is in contrast to major MFIs, which will maintain their usual disbursement trends and continue to acquire new customers as normalisation occurs in FY 2022 and FY 2023

It is also anticipated that the credit cost will decrease to a median of 1.5% to 5% in FY 2023, from 4% to 7% in FY 2022, since collections have improved since December 2021. The majority of the drop would be attributable to expansion, provision coverage, and recovery from restructured loans. MFIs in states such as Assam, Bengal, and Kerala, as well as particular districts of Maharashtra and Gujarat, where there was a delay in the easing of lockdown restrictions under both waves and other regional issues, will experience greater slippages, though especially those that have provided longer moratoriums. Small and medium-sized MFIs are susceptible to credit shocks due to the current interest rate pricing cap. Even as interest rates decline, they are confronted with the difficulties of loan accessibility and high borrowing costs. This is one of the primary purposes of harmonisation. After the implementation of the harmonisation rules, small and mid-sized MFIs are expected to step up their activity levels. As a result, MFIs may be able to implement risk-based pricing in addition to cost-plus pricing, enhancing the viability of small and medium-sized players, assisting them in establishing scale and operating buffers, and enhancing their creditworthiness.

Source: India Ratings revises microfinance sector outlook to 'neutral' for FY23 | Business Standard News (business-standard.com), MFIN, Stressed assets of NBFC-MFIs seen down 800 bps, but still well above pre-pandemic levels (crisil.com)

AUTOMOBILE INDUSTRY

Society of Indian Automobile Manufacturers (SIAM) reports that the Indian automobile sector produced 22,933,230 automobiles in FY 2022, up from 22,655,009 vehicles in FY 2021, thereby registering a YoY growth rate of 1.23%. Due to India's young population and rising middle class, the two-wheeled vehicle category dominates the market in terms of volume. In addition, the rising interest of businesses in rural markets contributed to the sector's growth.

India is also a significant exporter of autos, and its exports are expected to increase significantly in the near future. In FY 2022, India exported 5,617,246 vehicles, a 36% increase from the previous year's total of 4,134,047 vehicles. The production of two wheelers segment declined to 17,714,856 in FY 2022 from 18,349,941 in FY 2021. During FY 2022, sales of 2Ws (two-wheeler) automobiles, which represents the least expensive means of private transportation, declined by 11% annually, falling from 15,120,783 in FY 2021 to 13,466,412 vehicles. Three Wheeler sales increased from 219,446 units in FY 2021 to 260,995 units in FY 2022.

In addition, India is expected to be one of the world leaders in the two-wheeler and four-wheeler sectors due to several initiatives by the Indian government and major automobile manufacturers on the Indian market. Over the five-year period commencing in FY 2023, the budget for the PLI scheme for the vehicle and auto component sectors is ₹ 26,000 crores The initiative intends to help the sector overcome cost hurdles, achieve economies of scale, and develop a stable supply chain for Advanced Automotive Technologies (AAT). In addition to creating jobs, the programme will help the automobile sector move up the value chain and manufacture higher-valued items. The programme would provide an incentive of up to 18% to encourage new investments in the AAT local supply chain. The Make in India programme would also be strengthened by the motor industry's PLI Scheme.

DESPITE A SEMICONDUCTOR SCARCITY THAT HAS SLOWED PRODUCTION, THE INDIAN VEHICLE INDUSTRY IS HOPEFUL ABOUT ACHIEVING PRE-CRISIS SALES VOLUME LEVELS IN FY 2023, HAVING CREATED A SOLID FOUNDATION IN FY 2022.

In 2021, rising commodity costs imposed significant pricing pressure on the industry, resulting in multiple price increases across all vehicle classes. The Indian automobile industry sold 17,513,596 automobiles in FY 2022, compared to 18,620,233 vehicles in FY 2021.

Automobile Domestic Sales Trends (Units)

Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles	3,047,582	3,288,581	3,377,389	2,773,519	2,711,457	**3,069,499**
Commercial Vehicles	714,082	856,916	10,07,311	717,593	568,559	**716,566**
Three Wheelers	511,879	635,698	7,01,005	637,065	2,19,446	**260,995**
Two Wheelers	17,589,738	20,200,117	21,179,847	17,416,432	15,120,783	**13,466,412**
Quadricycle	0	0	627	942	-12	**124**
Grand Total	**21,863,281**	**24,981,312**	**26,266,179**	**21,545,551**	**18,620,233**	**17,513,596**

Source: SIAM

Despite a semiconductor scarcity that has slowed production, the Indian vehicle industry is hopeful about achieving pre-crisis sales volume levels in FY 2023, having created a solid foundation in FY 2022. Due to supply-chain issues and Raw Material headwinds, FY 2022 was a challenging year for the automotive sector. OEMs appear to have lost control of their technology agendas, necessitating the reconstruction of their competitive advantages.

According to the Society of Electric Vehicle Manufacturers (SMEV), High Speed EV (Electric Vehicle) sales totaled 2,31,378 units in FY 2021. (Excluding of Low Speed and 3 States - Madhya Pradesh, Telangana & Andhra Pradesh) During FY 2021, registered EV sales were 2,36,802 units, with the e-2W segment accounting for over 60% of the market. However, the low-speed market accounted for an astounding 71% of e-2W sales. The high-speed sector accounted for 61% of e-2W sales in FY 2022, reversing the previous trend. The e-3W (Cargo) category accounted for 12% of the e-3W market in FY 2021, up from 4% in FY 2020. The e-bus and e-4W markets have also experienced triple-digit growth from a small base during the year.

At the end of September 2021, the commercial vehicle portfolio of lenders was ₹ 3,29,000 crore, up 1.9% from ₹ 3,22,900 crore a year earlier. Auto Loan originations (value) increased from ₹ 54,367 crore in FY 2019 to ₹ 56,420 crore in FY 2022. In third quarters of the last three years till FY 2021, originations (volume) stayed above 10 million accounts. However, in the third quarter of FY 2022 this number decreased to 8 million accounts. From Q3 of FY 2019 to FY 2022, the originations share (both value and volume) of Public Sector Banks and Private Banks increased, while that of NBFCs decreased. Originations (value) for Two-Wheeler loans increased by 7.28% from ₹ 16,393 crore in FY 2019 to ₹ 15,281 crore in FY 2022, but originations (volume) decreased by 29% from 28.7 lakh accounts in Q3FY 2019 to 20.4 lakh accounts in Q3FY 2022.

KEY GROWTH DRIVERS

- Rising income of consumers
- Greater availability of credit and financing options
- Increasing FDI in the sector
- Slow shift of focus to Electric Vehicles
- Increasing Used Car Market

OUTLOOK

The volume of domestic vehicle sales has been projected to increase 5%-9% annually in FY 2023, following three consecutive years of constant decline in growth. The volume of passenger vehicles could increase by 5% to 9% in FY 2023 as a result of a sporadic improvement in consumer sentiment and a persistent desire for personal mobility; however, supply chain concerns could limit this rise. As for commercial vehicles (CVs), volume growth of 16%-22% in FY 2023 is predicted, compared to 20%-24% in the FY 2022. This growth will be driven by medium and heavy CVs, as well as a rise in economic activity and infrastructure spending.

The current geopolitical tensions between Russia and Ukraine, could drive up commodity and crude oil prices and worsen supply chain concerns. Additionally, a delayed rebound in rural sales and additional price increases by original equipment manufacturers could function as potential headwinds for the industry.

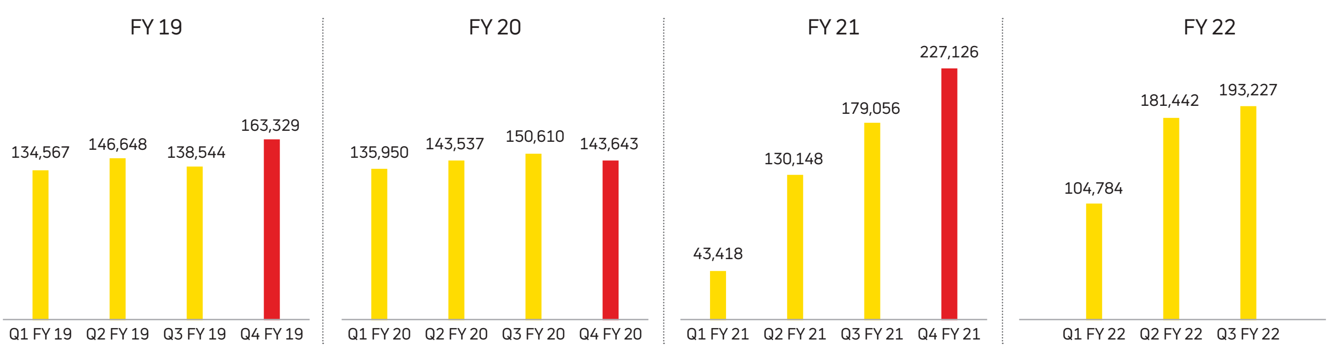
Source: Ind-Ra revises auto sector outlook to 'neutral' for FY 2023 (freepressjournal.in), Indian Automobiles Industry Report - Automobiles Sector Research & Analysis in India - Equitymaster, PowerPoint Presentation (crifhighmark.com), Personal Loans and Home Loans dominated festive lending from FY19 to FY22, shows CRIF High Mark's How India Celebrates – Report on Festive Lending in India

HOUSING FINANCE INDUSTRY

In India, banks, NBFCs and housing finance companies provide housing finance. The Indian housing sector has been controlled by Housing Finance Corporations (HFCs), the majority of which are publicly owned. The sector has weathered the Covid-19 pandemic with mild disruptions in collection efficiency and a rise in asset quality, in part due to the adoption of the circular on non-performing asset classification. During the third quarter between FY 2019 and FY 2022, the originations share (value and volume) of private banks increased. During the same era, the share of public sector banks and home finance companies (HFCs) decreased. In 3QFY 2022, public sector banks maintained a 43.8% value share of total loans. Private banks held a 36.6% market share, while non-banking financial organisations (NBFCs) held 19.6%. In terms of volume, however, NBFCs dominated with 68.1%, followed by private banks with 23.2% and public sector banks with 8.8%.

According to a survey by the credit bureau CRIF High Mark, the value of home loan originations increased by 40% from the 3QFY 2019 to 3QFY 2022, as a result of the easy availability of home loans. Originations (value) increased by 40% from ₹ 138,544 crore in FY 2019 to ₹ 193,227 crore in FY 2022, while originations (volume) increased by 21% from 6.7 lakh accounts in FY 2019 to 8.1 lakh accounts in FY 2022. The originations share (both value and volume) of Private Banks increased from Q3 of FY 2019 to FY 2022, whereas that of Public Sector Banks and HFCs decreased during the same period. In FY 2022, Maharashtra had the most house loans with ₹ 43,151 crore, followed by Karnataka with ₹ 19,550 crore and Gujarat with ₹ 15, 481 crore as on quarter ended December 2021.

TOTAL HOME LOAN ORIGINATIONS (₹ CRORE)



Source: PowerPoint Presentation (crifhighmark.com)

OUTLOOK

In FY 2023, housing finance businesses may increase by 13% annually, compared to 11% recorded in FY 2022, according to India Ratings and Research. In its outlook for the sector for FY 2023, the low interest rates, steady property prices, and the limited impact of the pandemic on job losses and income increases in the salaried category had resulted in increased borrower affordability. This, along with the demand for a larger dwelling space during the pandemic, bodes well for financiers to drive the overall assets under management (AUM) growth higher, despite the intense rivalry from banks. As a result of expanding regional penetration and a likely rise in ticket size, affordable housing financing companies could experience robust loan growth in 2022 and 2023.

Source: Home Loans See 40% Growth In 2021 December Quarter (outlookindia.com), HFCs could grow 13% in FY23: India Ratings and Research - The Hindu BusinessLine, PowerPoint Presentation (crifhighmark.com), Personal Loans and Home Loans dominated festive lending from FY19 to FY22, shows CRIF High Mark's How India Celebrates – Report on Festive Lending in India

INSURANCE INDUSTRY

In recent years, both external events such as the pandemic and financial services industry advances such as digitization, economic formalisation, and payment disruption have contributed equally to the growth of the insurance market. Due to the rise of insure-techs and digital transformation, the industry has undergone a transformation. This increase is largely attributable to IRDAI's (Insurance Regulatory and Development Authority of India) efforts to increase awareness and adoption, as well as the industry's low level of penetration. In FY 2022, non-life insurance companies received ₹ 2,206 billion in premiums, an increase of 11% over the previous year's total of ₹ 1,980 billion. In FY 2022, first-year life insurance premiums increased from ₹ 2,788 billion to ₹ 3,143 billion, an increase of 12.7%. The development would be structurally fueled by an increase in FDI, insurance business values, capital markets activity, and knowledge of health and life insurance. Increasing digital customer readiness, remote underwriting, contactless processing, and video on boarding will drive future growth in the insurance sector.

In terms of insurance density, India's total density in FY 2021 was US$ 78. In addition, after reporting single-digit growth in FY 2021, the first full year of the pandemic, the insurance industry has returned to double-digit expansion in FY 2022, with the NBP (New Business Profits) expanding by 13%. In FY 2021, India's insurance penetration was estimated to be 4.2%, with life insurance penetration at 3.2% and non-life insurance penetration at 1%.

In FY 2022, private sector insurers' NBP increased by 23% to ₹ 1.15 trillion resulting in an increase of the industry's NBP to ₹ 3.14 trillion. In FY 2022, however, growth was lower than it was in FY 2020, when the NBP expanded by nearly 20%. In FY 2021, growth was 7.49%.The significant monthly growth is attributable to an increase in single premiums for both individual and group sectors in the last month of the fiscal year (with individuals undertaking tax planning measures). As a result of the pandemic, consumer awareness and risk perception increased, resulting in a significant increase in the protection business for the year. During this time period, both guaranteed and annuity products grew significantly. Due to the volatility of equity markets, unit-linked products have had sluggish growth, although they are projected to rebound gradually.

Gross direct premium income (GDPI) growth recovering by an expected 11% in FY 2022 compared to a growth of 4% in FY 2021. GDPI for the non-life insurance business is anticipated to increase by 10% to 12%in FY 2022 due to increased medical insurance awareness and improved economic activity. Already, the restoration of economic activity following the waning of Covid-19 infections has led to the industry's, the non-life insurance business to conclude FY 2022 by reaching ₹ 220,634.7 crores at an 11% growth rate which was more than double the pace reported in FY 2021 (5.2 %). In FY 2022, the premium revenue for Non-life Insurers climbed by 8.8%, compared to 2% in FY 2021. In FY 2022, the revenue of Standalone Private Health Insurers (SAHI) increased to ₹ 20,880.1 crore from ₹ 15,755.2 crore in FY 2021, a 32.5% increase compared to a 31.8% increase in FY 2021, indicating a continuous increase in health insurance. In FY 2022, private enterprises grew at a rate that was more than double that of their public counterparts, continuing a long-standing trend. Private non-life insurance businesses' market share climbed from 56% in FY 2020 to 59% in FY 2022.

Movement in Gross Direct Premium Underwritten (₹ crore)

Insurers	For Mar 2020	For Mar 2021	For Mar 2022	Mar 2021 Growth	Mar 2022 Growth	FY20	FY21	FY22	FY21 Growth	FY22 Growth
General Insurers	13,883.0	15,660.0	17,707.8	12.8%	13.1%	1,66,528.7	1,69,844.7	1,84,775.2	2.0%	8.8%
SAHI	1,549.4	2,447.3	2,831.6	58.0%	15.7%	11,951.2	15,755.2	20,880.1	31.8%	32.5%
Specialized PSU Insurers	403.7	1,370.7	1,052.1	239.5%	-23.2%	10,436.7	13,114.9	14,979.5	25.7%	14.2%
Total	**15,836.1**	**19,478.0**	**21,591.5**	**23.0%**	**10.9%**	**1,88,916.6**	**1,98,714.7**	**2,20,634.7**	**5.2%**	**11.0%**

Source: 21042022030442_Non-Life_Insurance_-_FY22_ends_on_a_high_note.pdf (careratings.com)

With the exception of the crop insurance segment, all segments have seen increase in FY 2022 compared to FY 2021. Since the start of the Covid-19 pandemic, the non-life insurance business has been driven mostly by health insurance premiums. In FY 2022, the health category grew by 25.4%, which is nearly double the 13.6% growth observed in FY 2021. This increase has also been facilitated by the fact that the first few months of FY 2021 were spent under a nationwide lockdown and that businesses have increased their requirements. This has resulted in the health segment's market share increasing from 27.4% in FY 2020 to 33.4% in FY 2022.

The Motor insurance segment has maintained its growing momentum, with growth of 4% in FY 2022 compared to a decline of 1.8% in FY 2021. Despite this minor increase, the segment's market share fell from 36.5% in FY 2020 to 31.9% in FY 2022, a decline of nearly 450 basis points over the two years.

In FY 2022, crop insurance premiums totalled ₹ 29,529.5 billion and continued to decline by 5.1%. Similar to the previous year, the segment experienced a decrease of 3.6%. Delays in claims settlement and subsidy disbursement, as well as the optional nature of the Pradhan Mantri Fasal Bima Yojana (PMFBY) plan with some states opting out of the programme, have continued to impede the program's effectiveness.

The Fire segment posted a stable 7% growth rate in FY 2022, which was much lower than the 28% growth observed in FY 2021, owing to the increase in reinsurance prices. In addition, the share has decreased by nearly 30 basis points in FY 2022, after increasing by approximately 180 basis points in FY 2021.

OUTLOOK

The premiums generated by India's life insurance business are anticipated to exceed ₹ 24 lakh crore (US$ 317.98 billion) by the end of FY 2031, according to the news report. India forms the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the country's US$ 3.66 billion in insurtech-focused venture capital investments. In FY 2023, the industry's combined ratio is anticipated to increase due to a decrease in health claims and a projected improvement in insurers' risk pricing. The GDPI of public sector (PSU) insurers is predicted to increase at a modest rate of 4% to 6% in FY 2023, while private insurers are expected to grab market share by increasing at a faster rate of 13% to 15%. The GDPI of the general insurance industry will increase by 10% to 12% in fiscal year 2023, driven by increased growth in the health and commercial business categories due to rising awareness of medical insurance and an upsurge in economic activity.

Source: IRDAI, IBEF, New business premiums of life insurance companies jump 37% in March | Business Standard News (business-standard.com), General insurance industry's GDPI to grow by 10-12% in FY23: Report | Business Standard News (business-standard.com), 21042022030442_Non-Life_Insurance_-_FY22_ends_on_a_high_note.pdf (careratings.com)

BUSINESS REVIEW

Manappuram (hereafter referred to as 'Manappuram' or 'the Company' provides financial services through transparent processes and procedures in credit approval and disbursement, as well as prompt, amicable, and adaptable terms of repayment that are tailored to the specific characteristics of its clientele. The Company is the customer's most preferred choice because its easy and quick loan evaluation and disbursements. The Company's established reach and network enable it to serve even the most remote regions of India. The Company has a substantial presence in rural and semi-urban areas.

THE COMPANY IS THE CUSTOMER'S MOST PREFERRED CHOICE BECAUSE ITS EASY AND QUICK LOAN EVALUATION AND DISBURSEMENTS. THE COMPANY'S ESTABLISHED REACH AND NETWORK ENABLE IT TO SERVE EVEN THE MOST REMOTE REGIONS OF INDIA.

A focus on the consumer has been one of the driving forces behind the Company's practises. The Company has a competitive edge due to its sturdy business model and keen understanding of its clients' needs. Enhanced risk management has also contributed to the remarkable expansion. Further, the implementation of advanced technology has improved sales productivity, market coverage, channelisation, and customer experience.

With a consolidated AUM of ₹ 303 billion in FY 2022, the Company is the second-largest NBFC operating in the gold loan segment, with gold loans (Standalone) accounting for ₹ 199 billion. It has a strong Pan-India presence through its 5,000 strong network of branches, which is located across 28 states and four union territories and serves more than 5.09 million active customers.

BUSINESS PERFORMANCE IN FY 2022

The Company's performance over the year demonstrated sustained progress toward its defined growth targets, without sacrificing profitability or incurring excessive risk. The Company has achieved a substantial rise in business volume and profitability and are in a strong position to sustain this growth. The consolidated total AUM has increased by 11.15% YoY to ₹ 303 billion in FY 2022 primarily due to an increase in gold loans. Consolidated PAT (before OCI) reached ₹ 13.29 billion, decreased by 23% due to reduction in gold loan IRR in the second half of the year. For FY 2022, the Company reported consolidated ROE of 16.95% and a ROA of 4.1%.

The Company's core business of gold loans faced certain peculiar challenges arising from the intense price competition among the NBFCs which prevailed for much of the FY 2022 thereby impacting profitability. The Company's standalone gold loans AUM increased by 4.14% to ₹ 199 billion. As of March 31, 2022, there were 23.69 lakhs active gold loan customers. With an average LTV of approximately 62%, average duration of 82 days and an average ticket size of ₹ 56,568, the Company's gold loan portfolio is extremely resistant to gold price fluctuations. The weighted average LTV per gram stands at ₹ 2,971. As of March 31, 2022, the consolidated gold reserves totalled 68 tonnes as compared to 65.3 tonnes recorded last year. There were 2.4 million gold loan customers for FY 2022. The Consolidated gold loan book stood at ₹ 202 billion, which has growth 5.70% YoY and it faced price competitions amongst the NBFCs. During the year, standalone fresh gold loan disbursements totalled ₹ 1,237 billion, compared to ₹ 2,638 billion in FY 2021. The online gold loan (OGL) book represented 44% of the overall gold loan. The gold loan business constituted 67% of the consolidated AUM, the remaining 33% comprised of non-gold business such as microfinance, vehicle, housing, and SME finance.

The diversification efforts made by the Company were successful. Although the automobile industry in India as a whole was facing slowdown, but the Commercial Vehicle (CV) business benefited from the economic recovery and reported strong results in FY 2022. The Vehicle and Equipment Finance division closed the year with an AUM of ₹ 16.43 billion in FY 2022, a substantial growth of 56.11% over the last year.

The on-lending portfolio has been lowered from ₹ 1.83 billion in March 2021 to ₹ 0.32 billion as of March 31, 2022. The Company's MFI subsidiary, Asirvad's AUM stood at ₹ 7,002 crore in FY 2022 thereby increasing by 17.0% YoY. And for FY 2022, this Company posted a profit (before OCI) of ₹ 13 crore, a decrease of 20% as compared to the previous year. As of 31st March 2022, the Gold Loan AUM in Asirvad was ₹ 300 crore, with 305 exclusive branch locations. The Company reclassified these new branches for providing gold loans. CRISIL assigns the highest credit rating to the Company in the MFI sector, 'AA-minus stable'. Asirvad delivered a return on equity of 1.3% and return on assets of 0.2% in FY 2022 and is currently one of India's lowest-cost microfinance loan providers. With 1,526 locations, 12,581 workers, and a presence in 25 states/ UTs, Asirvad is the second largest NBFC MFI in the country.

The Vehicle and equipment finance business reported an AUM of ₹ 16.43 billion, and it is now conducted through 242 offices in 23 states. The home loan business's entire loan portfolio increased by 26.9% to ₹ 8.45 billion. During FY 2022, the home loan business operated under 73 branches and achieved a profit of ₹ 7.2 crore. Loan to NBFCs stood at ₹ 31 crore and loan to MSMEs and others stood at ₹ 871 crore for FY 2022.

The total consolidated debt was valued at ₹ 241.19 billion for the year ended FY 2022. The Company's consolidated average cost of borrowing has decreased from 9.8% in FY 2021 to 8.6% in FY 2022. Even in the height of a liquidity crisis, the Company had no trouble raising capital for growth on the liquidity front. The Company do not anticipate any finance obstacles to impede its ambitions and are comfortably positioned with its ALM.

In FY 2022, the Company's consolidated overall operating expenses increased by 29.4% while AUM increased by 11.2% over the year. For FY 2022, the employee expenses climbed by 33.5% to ₹ 11.25 billion. The adoption of Ind-AS 116 'Leases' during the year has resulted in a rent reduction of ₹ 1,292.53 million. Likewise, the Company's standalone finance cost on Lease Liability and depreciation on ROU asset during the year was ₹ 580.89 million and ₹ 960.44 million respectively. Provisions and write-offs for the standalone Company totalled ₹ 0.81 billion in FY 2022. The Company's standalone gross non-performing assets increased to 2.95% in FY 2022 from 1.92% in the prior FY 2021. In FY 2022, the consolidated net worth of the Company was at ₹ 83.68 billion, and its capital adequacy was 31%. Also in FY 2022, the consolidated book value per share stood at ₹ 98.9, and the Board has declared a dividend of ₹ 3.00 for FY 2022.

DIGITAL TRANSFORMATION

The Company has commenced an enterprise-wide digital transformation journey. The approach includes four focus areas: digitising operations for scalability, mobile interfaces for customer service, unified data architecture and analytics for a single customer perspective, and utilising new technologies for new businesses.

The Company's lending operations are supported by an in-house information technology infrastructure that allows capturing pertinent customer information, authorising the loan, and disbursing the funds. The Company's technological platform also manages internal auditing, risk monitoring, and credit and gold-related data management. The Company's employees receive frequent training on the examination of the value and authenticity of gold pledged.

CREDIT RATING

The credit rating details of the Company as of March 31, 2022 were as follows

Credit rating agency	Type of facility	March 31, 2022		March 31, 2021	
		₹ in million	Rating	₹ in million	Rating
Brickwork	Non-convertible debentures	10,030	BWR AA+ (Stable)	10,030	BWR AA+ (Stable)
	Bank loan facility	70,000	BWR AA+ (Stable)	70,000	BWR AA+ (Stable)
CRISIL	Bank Loan Facilities Long Term	43,200	CRISIL AA/Stable	50,000	CRISIL AA/ Stable
	Bank Loan Facilities Short Term	6,800	CRISIL A1+		
	Non-Convertible Debenture	26,750	CRISIL AA/Stable	47,151	CRISIL AA/ Stable
	Principal Protected Market Linked Debenture	5,000	CRISIL PP-MLD AAr/Stable	5,000	CRISIL PP-MLD AAr/Stable
	Commercial Paper	40,000	CRISIL A1+	40,000	CRISIL A1+
	PCG DA	1,000	CRISIL AA (SO)	1,000	CRISIL AA (SO) Equivalent
CARE	Bank Loan Facilities Long-term	49,270	CARE AA Stable	60,444	CARE AA/ Stable
	Bank Loan Facilities Short-term	40,730	CARE A1+	29,556	CARE A1+
	Non-Convertible Debentures	19,806	CARE AA Stable	30,972	CARE AA/ Stable
	Commercial Paper	40,000	CARE A1+	40,000	CARE A1+
S&P	Senior Secured Bond	21,288	BB-/Stable	21,288	B+/Stable
Fitch	Senior Secured Bond	21,888	BB-/Stable	21,288	BB-/Stable

The rating agencies reaffirmed the aforementioned grades throughout FY 2022. With the above rating confirmations, the Company continues to receive a strong rating from all of the main rating agencies.

ASSET QUALITY

At the time of the initial appraisal for loan price and approval, a customer's risk profile is determined. With its strict review methodology, the Company also conducts periodic portfolio risk assessments. Gross NPA rose from 1.92% in FY 2021 to 2.95% in FY 2022, whilst net NPA rose from 1.53% in FY 2021 to 2.72% in FY 2022.

SWOT ANALYSIS

STRENGTHS

- **Proven track record and powerful brand value in gold jewellery financing**
  Manappuram has been in the gold lending industry for almost six decades. The Company has developed and continually refined the assessment and underwriting methods for lending against gold jewellery based on its business experience. As an experienced player in the Gold loan market in India for several decades, the Company has been able to garner a substantial amount of consumer confidence and brand value. In India, Manappuram's brand value and reputation are enormous. Reputation and trust play a crucial part in this section of the finance market since they guarantee the customer's credibility.

- **Adequate Capitalization**
  As of March 31, 2022, the capital adequacy ratio stood at 31%, which is much greater than the regulatory requirement. Lower asset-side risk also supports capitalisation. In the area of gold loans, AUM is anticipated to increase moderately over the medium future. Also, other parts (affordable housing financing, loans against property, and CV finance, etc.) have a relatively small scale and are also anticipated to experience moderate growth.

- **Steady Funding Profile**
  Approximately 58.6% of the Company's consolidated borrowing (including off-balance sheet finance via securitisation assignment and ECBs) was from banks (public and private) and financial institutions with which ties had been established. This supply is reliable and reasonably priced. Long-term capital market instruments such as NCDs and subordinated loans have also been used to raise financing. As microfinance and CV portfolios have substantial assignment/securitization potential for fund-raising, the funding alternatives are widened. If securitized, the funding sources are widened even further.

- **Excellent profitability**
  Profitability has significantly sustained during FY 2022. The transition to shorter-term products with a maturity of three months, in conjunction with an increased emphasis on the collection of interest on a more consistent basis, is largely responsible for the Company's profitability. For profitability to remain stable, the capacity to manage operational expenses is crucial. In addition, as the non-gold financing categories continue to grow, the Company's efforts to keep credit costs to a minimum will remain one of its primary concerns.

IN ADDITION, AS THE NON-GOLD FINANCING CATEGORIES CONTINUE TO GROW, THE COMPANY'S EFFORTS TO KEEP CREDIT COSTS TO A MINIMUM WILL REMAIN ONE OF ITS PRIMARY CONCERNS.

WEAKNESS / AREA OF IMPROVEMENT

- **Geographical revenue concentration**
  Compared to large NBFCs, the Company's operations are significantly regionalized. As of March 31, 2022, South India gold loan accounted for around 59% of the entire AUM, a decrease from 82% as of March 31, 2012. Tamil Nadu, Karnataka, and Kerala account for approximately 36% of the microfinance portfolio. Given the vast size of the gold loan book relative to other segments and the predominance of the gold loan business in south Indian states, revenue is projected to remain geographically as well as asset class concentrated over the medium run.

- **Concerns related to non-gold loan segments**
  Non-gold lending enterprises have not fully stabilised their growth, asset quality, and profitability. The collection efficiency of the microfinance and housing finance portfolios was negatively impacted by demonetisation in FY 2017 and the pandemic in FY 2021. Profitability of Asirvad may be affected by a rise in credit costs. Likewise, the home financing portfolio requires more ageing. Against the backdrop of the pandemic-related disruptions, delinquencies have increased and must be closely monitored. The CV portfolio was expanding rapidly prior to the outbreak of the pandemic, and operations have reached a level of stability.

OPPORTUNITIES

- **Unexplored Potential of its Core Business**
  The Company's core operation, the provision of gold loans, continues to have excellent development potential. The World Gold Council estimates India's privately held gold reserves to be between 20,000 and 25,000 tonnes. The primary objective of the gold loans business model is to inject liquidity into this inventory, which is currently mostly untapped.

- **Level Playing Field**
  The Reserve Bank of India (RBI) has mandated that a standard restriction on LTV of 75% be applied to both banks and NBFCs. This has created a level playing field, which is beneficial to NBFCs. Moreover, the price volatility of gold over the past two

to three years has significantly diminished banks' appetite for the gold loan industry, resulting in a less aggressive market position.

- **Opportunities persisting in the Unorganized Sector**
  When applying for a gold loan, it is vital to choose a nearby financial institution. Customers People choose convenience over other variables; transaction cost has a crucial part in a customer's financial behaviour. Despite the expanding network of the formal sector, the informal sector continues to dominate the market for gold loans as a whole, presenting an opportunity to expand the network and acquire the informal sector's business.

- **Technological Advancements**
  The Company is consistently focusing on technological prowess in accordance with the industry's current trends. The Company had launched an improved Online Gold Loan (OGL) solution that is cashless and available 24 hours a day, seven days a week. Given the convenience and the fact that cash disbursements are becoming increasingly controlled, OGL is well-positioned to gain a larger market share.

THREATS

- **Gold Price Fluctuation Risk:** As gold loans account for 66% of the Company's consolidated advances, a substantial decrease in the price of gold over a short period could have a negative impact on repayments and limit growth potential.
  - Business is highly regulated, and future regulatory changes may have a negative impact on it.
  - Financial performance is susceptible to interest rate risk because the majority of funding comes through banking channels.
  - AUM growth can be negatively impacted by a decrease in the price of gold.
  - Greater competition from NBFCs/banks/fintech could harm AUM growth and profits.

- **Controlling Attrition**
  While growth prospects remain positive, customer and employee attrition could create scaling issues for the industry. About 25% of field-level employees left the Company (mostly from the ranks of individuals with less than two years of service); training requirements are expected to vary as the Company goes toward greater automation of processes and larger ticket sizes. As a result of rising competition, client attrition rates have grown, putting pressure on the field employees to consistently recruit new clients and expand into new geographies in order to maintain high client growth rates.

- **Enhancing Geographical Distribution and Asset Quality**
  At the state and district levels, the geographical composition of the industry has been evolving. As of March 31, 2022, Karnataka and Telangana were the top two states in terms of portfolio.

THE COMPANY HAD LAUNCHED AN IMPROVED ONLINE GOLD LOAN (OGL) SOLUTION THAT IS CASHLESS AND AVAILABLE 24 HOURS A DAY, SEVEN DAYS A WEEK.

An examination of the portfolio cutbacks of MFIs finds an increase in ticket sizes and loan maturities. While the possibility to expand and grow remains alive, a more in-depth credit study and assessment of the borrower's actual debt repayment capabilities is required. In addition, aligned risk management policies are necessary for responsible and sustainable growth in the sector. The borrower's total debt from all official sources should be used for leverage calculations and not for compliance with regulatory standards. Given that the target segment for microfinance-focused lending by MFIs, SFB licensees, and commercial banks is identical, lenders and regulators must re-evaluate the criteria from a risk perspective while maintaining the primary purpose of ensuring that the end borrower is not overleveraged. Over the medium term, the asset quality metrics should be supported by structural factors such as group selection-elimination and the fact that MFIs offer the lowest cost of finance for borrowers. However, the category continues to be susceptible to income shocks and politically sensitive.

- **Funding Requirement**
  ICRA anticipates that the sector would require external capital between ₹ 60 and 90 billion over the next three years to accomplish its growth objectives. While raising funds is unlikely to be a substantial obstacle for well-managed large MFIs and SFBs, mobilising equity capital may continue to be difficult for smaller companies. In order to conserve capital, this may push some smaller MFIs to originate more portfolios through the BC (Business Correspondent) model as partners with larger lenders.

- **Liquidity**
  In addition to capital flow, the priority sector status related to bank loans, off-balance sheet funding (primarily assignments), and shorter tenures boost the liquidity profile of MFIs.

  Given their development ambitions and the necessity to sustain disbursement levels to meet the needs of existing clients, MFIs are likely to continue to have substantial incremental capital needs. Moreover, the recent volatility in the wholesale market is likely to keep the cost of financing elevated for these MFIs, given their reliance on wholesale funding sources. In the future, the availability of additional finance would have a significant impact on the liquidity profiles of MFIs.

FINANCIAL REVIEW

The following table illustrates the standalone and consolidated financials of the Company for FY 2022, including revenues, expenses, and profits.

CONSOLIDATED RESULTS AT A GLANCE (IN ₹ BILLION)

Particulars	FY 2020	FY 2021	FY 2022	% change
Income from operations	54.65	63.31	60.61	-4.26%
Profit before tax	20.07	23.16	17.84	-22.99%
Profit after tax (After minority interest)	14.8	17.25	13.29	-22.97%
AUM	252.25	272.24	302.61	11.16%
Net Worth	57.46	73.07	83.68	14.53%
RoA (%)	5.9	5.61	4.10	-27.31%
RoE (%)	28.4	26.17	16.95	-35.24%
No. of branches	4,622	4,637	5,053	8.97%
Total No. of Employees	27,726	30,522	41,396	35.63%

STANDALONE RESULTS AT A GLANCE (IN ₹ BILLION)

Particulars	FY 2020	FY 2021	FY 2022	% change
AUM	191.22	205.73	224.13	8.94%
Gold loan AUM	169.67	190.77	198.67	4.14%
Gold Holding (Tonnes)	72.39	65.33	67.01	2.57%
Live Gold Loan Customers (million)	2.62	2.59	2.37	-8.52%
Gold Loans Disbursed	1689.09	2638.33	1,236.75	-53.12%
Capital Adequacy Ratio	21.74	29.02	31.33	7.96%
Cost of Fund	9.29	9.12	7.15	-21.60%
Gross NPA (%)	0.88	1.92	2.95	53.65%
Net NPA (%)	0.47	1.53	2.72	77.78%
Number of Branches	3,529	3,524	3,524	0.00%
CV loans (AUM)	13.44	10.53	16.43	55.99%

The Company's other business verticals include the Vehicle and Equipment Finance Business, the Payments Business, the SME Business, and fee-based services such as foreign exchange and money transfer. In addition, the Company has grown into additional business verticals, including microfinance through its subsidiary AML (Asirvad Microfinance Limited), home finance through its subsidiary MHFL (Manappuram Home Finance Ltd), and insurance brokerage through its subsidiary MAIBRO (Manappuram Insurance Brokers Limited).

KEY FINANCIAL RATIOS (STANDALONE)

Particulars	FY 2020	FY 2021	FY 2022
Return on Net Worth (%)	25.13%	27.47%	17.58%
Basic EPS (after exceptional items)	₹ 14.58	₹ 20.08	₹ 15.41
Interest Coverage Ratio	2.21	2.32	2.26
Current Ratio	1.97	2.34	1.68
Debt Equity Ratio	3.3	2.56	2.26
Operating Profit Margin (%)	42.54%	46.89%	41.80%
Net Profit Margin (%)	32.54%	32.50%	28.44%

Detailed explanation of ratios

i. **Return on Networth Ratio**
Return on Networth (RONW) declined from 27.47% to 17.58% over the period due to reduction in PAT (Profit after Tax) by 23.17%

ii. **Basic EPS**
Earnings per Share (EPS) decreased from ₹ 20.08 to ₹ 15.41 due to reduction in PAT (Profit after Tax) by 23.17%.

iii. **Interest Coverage Ratio (x)**
In FY 2022, the Interest Coverage Ratio stayed consistent at 2.26, compared to 2.32 in FY 2021.

iv. **Current Ratio (x)**
The Company's Current Ratio decreased from 2.34 in FY 2021 to 1.68 in FY 2022, as a result of increase in short term borrowings(liabilities) which is repayable within 1 year.

v. **Equity Debt Ratio (x)**
The Company's leverage reduced to 2.26 in FY 2022 from 2.56 in FY 2021 as its business increased significantly, with AUM increasing by 9.17% over the time.

vi. **Operating Income Margin (%)**
The decrease in the operating profit margin from 46.89% in FY 2021 to 41.80% in FY 2022 can be attributed to decrease yield/interest income in FY 2022

vii. **Net Profit Margin (%)**
In addition, the net profit margin decreased from 32.50% in FY 2021 to 28.44% in FY 2022, as lower profitability led to lower net profit margin.

RISK MANAGEMENT

Risk management is an integral part of the Company. Credit Risk, Interest Rate Risk, Market Risk, Liquidity Risk, and Operational Risk are the primary hazards.

If these risks are not successfully managed, they could affect Company's financial stability and operations. Keeping this in mind, the Company consistently enhances and applies the risk management policies and procedures for the efficient execution of all its operations. The primary purpose of risk management processes is to efficiently measure and monitor risks and contain them within acceptable limits.

The Board of Directors' Risk Management Committee (RMC) oversees the execution of the Board-approved "Enterprise Risk Management Policy and Framework" and other risk management policies pertaining to Credit Risk Management, Liquidity Risk Management, and Risk Tolerance, among others. RMC examines various risk levels and their movement, the makeup of asset and liability portfolios, the state of impaired assets, recovery/collection, etc., on a periodic basis. The Company's Risk Management operations are independent of its business sourcing units and are led by a Chief Risk Officer who reports directly to the MD & CEO.

RISK MANAGEMENT PROCESS

The risk management system consists of the following essential components:

- Strategic objectives and guiding principles
- Delegation and supervision of obligations.
- Framework and reporting cycle for identifying, evaluating, managing, monitoring and reporting on risks Top-down and bottom-up risk assessment and management process combination
- Risk monitoring plan describing evaluation, challenge, and oversight
- Reporting mechanisms that ensure active risk monitoring and management at all levels
- Embedded a culture of robust risk management at all Company levels.

Prior to undertaking any transactions or modifying or installing processes or systems, the framework for risk management assesses risks through appropriate analysis and comprehension. Enhancing the risk management framework are routine portfolio reviews, stress tests, and scenario analyses, self-assessment control, and monitoring of key risk indicators. The major risks include:

CREDIT RISK

Credit risk is the prospect of losses resulting from a decline in the creditworthiness of borrowers or other counterparties.

Credit risk management frameworks, rules, processes, and systems are in place for the Company. The Company's loan/collateral evaluation system and procedures are highly organised. The process of evaluating the creditworthiness of customers, a clear and fair assessment of the collateral, and prudential loan-to-value limitations, prudential individual and group exposure restrictions, industry limits, etc. are essential to the management of credit risk. While evaluating loans, the Company's credit policies for non-gold loans ensure evaluation of numerous variables, such as income, demographics, credit history and other debts of the borrower and his family, loan-to-value ratio, loan term, risk classification, and others.

While retail loans across multiple products and segments are managed primarily on a portfolio basis, the small book of a corporate portfolio is managed both on an individual and portfolio basis. The management of credit risk also involves exposure caps based on borrower group, region, and industry. Credit Risk Management also includes portfolio diversification, monthly post-disbursement monitoring, credit audits, borrower relationship management, and remedial action.

INTEREST RATE RISK AND FOREIGN EXCHANGE RISKS

The Company is vulnerable to interest rate risk primarily because it lends to customers at set interest rates and for durations that may differ from its financing sources, which carry both fixed and fluctuating interest rates. Interest rates are very susceptible to a variety of external factors, such as the monetary policies of the RBI, the deregulation of the financial sector in India, local and international economic and political conditions, inflation, and other factors. The Company's portfolio of gold loans has an average term of less than three months. Therefore, the exposure to interest rate risk is minimal.

By managing assets and obligations, the Company assesses and mitigates the interest rate risk on its balance sheet. The Board has authorised and accepted the Company's interest rate policy, Liquidity Risk Management Policy, Resource Planning Policy, and Asset Liability Management Policy and Procedures (the "ALM Policy"), which are implemented and periodically monitored by the Asset Liability Management Committee (ALCO). The Company also run stress tests on the portfolios to determine the impact of interest rate fluctuations on its profitability.

According to the board-approved "Foreign Exchange Risk Management Policy," all foreign exchange liabilities and assets over ₹ 10 million must be hedged. ALCO examines all foreign currency exposures and monitors foreign exchange risks on a periodic basis.

OPERATIONAL RISK

Operational risks are those that result from insufficient or failed internal procedures, people, and systems, or from external events. As a part of the Company's lending operations, the Company uses decentralised loan approval technologies to facilitate a quick loan approval procedure. The Company has developed clearly defined loan approval processes and procedures to mitigate operational risks. The internal control involves separation of functions, separation of roles and duties, reliance on the maker-checker principle, joint custody agreements, monitoring of exceptions, etc. In addition, the aim is to limit operational risk by maintaining a thorough system of internal controls, developing rules and processes to monitor transactions, maintaining the required backup procedures, and planning for contingencies. The Company adequately insures the ornaments pledged against employee and consumer fraud, fire, theft, and burglary. In addition to onsite and offsite security surveillance of the Company's branches, the Company undertake risk-based internal audits to evaluate the sufficiency and compliance of internal controls, systems, and procedures at all of the Company's branches.

The Company operates in an automated environment and uses cutting-edge technologies to support its numerous operations, which exposes it to a number of operational risks, such as business disruption, data security breaches, etc. The Board has developed a number of IT and Security-related rules to offer a governance framework for information security procedures in order to manage information technology-related risks. In addition to internal audit, an independent agency also ensures the management of risks associated with information technology. The Company has devised an all-encompassing plan for disaster recovery, which is then tested on a regular basis to ensure that it is prepared to deal with any kind of operational crisis.

BSI issued the Company the ISO 27001:2013 ISMS certification (ISO 27001:2013). BSI Group, often known as the British Standards Institution, is the United Kingdom's national standards organisation. The British Standards Institution (BSI) sets technical standards, conducts audits, and certifies businesses worldwide that implement management systems standards.

In addition, the Board of Directors has developed a "Whistleblower Policy." Vigilance department at Head Office manages the organization-wide execution of fraud prevention measures. Frauds are thoroughly probed to determine the underlying reason, and corrective measures are done to prevent a recurrence.

Business Units, which maintain stringent internal controls and procedures, serve as the first line of defence for operational risk management. On the basis of numerous risk signals, internal audit has implemented a risk-based audit of units, businesses, and processes. Regularly, the department of audit examines the efficacy of governance, risk management, and internal controls. At the Periodic Review Meeting (PRM) of senior executives, operational risk occurrences are examined. The responses, as well as the internal auditors' reports, are examined and discussed by the Audit Committee of the Board. The Audit Committee of the Board also evaluates and discusses the reports of the internal auditors. The Risk Management Committee of the Board examines governance risks and the effectiveness of operational risk management mechanisms.

LIQUIDITY RISK

Liquidity risk emerges when sufficient funds are not available to meet the Company's financial commitments at an acceptable cost and duration. As the majority of the loans (at the portfolio level) have a shorter maturity than obligations, the Company has positive cash flows across the board. The Company strives to mitigate this risk through a combination of techniques, including diversification of funding sources, securitization and assignment of receivables, capping short-term funding, and keeping a liquidity buffer.

The Company's liquidity risk is also monitored by the ALCO and Resource Management Committees of the Board. Monitoring liquidity risk entails classifying all assets and liabilities into various maturity profiles and assessing them for any mismatches in maturities, especially in the short-term. In accordance with RBI regulations, the Company has capped maximum mismatches in various maturities and liquidity stock ratios through the ALM Policy and Liquidity Risk Management Policy.

On the basis of their maturities and repricing options, assets and liabilities are classified into time buckets. In accordance with RBI-prescribed criteria, action plans are developed to ensure a minimal mismatch in each of the time buckets.

To increase the liquidity risk management of NBFCs, the Reserve Bank of India (RBI) has issued rules requiring the maintenance of the Liquidity Coverage Ratio (LCR) in the form of High-Quality Liquid Assets (HQLA) beginning December 1, 2020. HQLAs are liquid assets that can be converted to cash quickly and easily.

The Company maintains higher HQLA levels than the minimal regulatory LCR.

CASH RISK MANAGEMENT

Through a high volume of transactions, the Company's branches gather and deposit a substantial sum of cash. To mitigate cash management risks, the Company has developed and implemented advanced cash management checks at every level to track and total accounts. Moreover, the Company undertakes frequent audits to guarantee that the cash management systems adhere to the highest compliance standards.

ASSET/SECURITY RISK

Asset risks result from the depreciation of the collateral over time. Due to the possibility that the selling price of a pledged asset is less than the total amount of loan and interest outstanding on such a borrowing, the Company may be unable to recover the full amount lent to its customers. The maximum gold loan LTV is determined based on the one-month moving average of gold prices, in accordance with industry standards (as per RBI rules). ALCO monitors the gold prices and the sufficiency of collateral margins.

During the auction process, the Company may potentially encounter certain logistical and executional obstacles. The Company ensures that all legal procedures are followed and treat consumers for auctioned goods with the utmost care. As all pledged assets are housed locally at various locations, the Company additionally incurs the risk of theft and robbery. The Company has established online monitoring 24 hours a day, seven days a week and numerous sensors at the branches to assure the protection of the gold collateral.

The Company adheres to a prudent LTV range on immovable properties of between 30% and 40% for secured loans that fall under the Micro Loans category. The immovable properties are valued by external appraisers and internal credit managers, and lower of the value is considered for fixing loan amount. Credit monitors, auditors, and the vigilance team independently verify the value of the properties mortgaged as collateral to assure conformity with business policy.

BUSINESS RISK

As an NBFC, the Company is exposed to numerous external risks that have a direct impact on its sustainability and profitability. Industry Risk and Competition Risk are the two most prevalent. The changeable macroeconomic conditions and fluctuating sector dynamics in many commercial segments may lead to loan asset impairment. The Company has a team whose responsibility is to regularly study economic and sector trends. Due to rising competition in the financial markets, the Company's business growth is contingent on its capacity to compete. In accordance with market trends and practises, the Company has designed customised loan products to increase market penetration. With an energetic sales team, a variety of products, ongoing initiatives to reduce TAT (Turn Around Time), and a customer-centric culture, the business is successfully repelling off competition.

REGULATORY RISK

The Company strictly adheres to and complies with all periodic regulations imposed by regulators such as the RBI, SEBI, NHB, and IRDA. The Company has zero tolerance for noncompliance with regard to the Capital Adequacy, Fair Practices Code, Asset Classification and Provisioning Norms, and filing of all mandatory returns to authorities.

Recent regulatory measures aimed at bolstering NBFCs' liquidity management have resulted in the Company maintaining low-yielding liquid assets for its Liquidity Coverage Ratio (LCR). As part of its prudential liquidity risk management, MAFIL has maintained surplus liquidity in excess of the regulatory-mandated LCR.

The recent proposal of the RBI to close the regulatory gap between large, systemically significant NBFCs and banks may result in NBFCs adopting regulations similar to those of banks. MAFIL is likely to be placed under Upper Layer or Middle Layer based on the profile, asset size and risks. MAFIL already complies with the guided requirements on capital, exposure norms, restrictions on loans and advances, Core Banking Solutions, provisioning, etc. applicable to Upper Layer NBFCs as part of its prudent corporate governance and risk management. The Company is poised to implement ICAAP once RBI announces the classification of NBFCs into Upper Layer, Middle Layer, and Base Layer.

Implementation of the Prompt Corrective Action (PCA) framework for NBFCs is going to effect from October 1, 2022, and might have an impact on MAFIL. There may be constraints on dividend distribution, branch expansion, capital expenditure, etc. if an NBFC is subject to the PCA framework. According to this rule, an NBFC may be subject to the PCA framework if the CRAR falls 300 basis points below the regulatory minimum CRAR, the Net NPA ratio rises above 6%, etc. MAFIL maintains a high level of CRAR of 31.84% and consolidated net nonperforming assets (NPA) of 2.24% as on FY 2022, which insulates MAFIL from the framework if it is able to sustain present asset quality and profitability. Significant changes in monetary policy and reference rates would affect MAFIL's borrowing costs. As it offers loan products with shorter maturities that may be repriced according to market conditions, the impact of such adjustments is manageable.

HUMAN CAPITAL RISK

The Company's success is contingent on the Company's capacity to retain and recruit qualified employees. For a better work-life balance, the Company has a philosophy of providing a good working environment for employees at all levels. The Company's compensation is comparable to that of other organisations in its class and size.

REPUTATION RISK

Reputational risk is the risk of potential damage to the Company's brand and reputation, as well as the risk to earnings, capital, and liquidity resulting from any affiliation, action, or omission that may be seen by stakeholders as inappropriate, unethical, or contradictory with MAFIL's principles. The Company has a

Reputation Risk Management policy adopted by the Board, which defines certain tolerance thresholds for such risk incidents, which should be frequently evaluated by the Risk Management Committee.

EXTERNAL RISK

Ukraine Conflict has had a global effect on the credit market, resulting in surging commodities prices and expansive financial sanctions that threaten the world economy that already weakened by the Covid-19 outbreak. The capacity of the urban and rural poor to pay back their debts has been impacted as a result of macroeconomic, market, and credit repercussions brought on by inflation. The credit and collection practises of MAFIL have been revised in light of macroeconomic risks.

HUMAN RESOURCE

The Company's success depends on the Company's employees. The Company believes that individuals achieve at their highest level in companies with which they sense a true connection. The personnel' abilities, expertise, diversity, and productivity enables the Company to fulfil its obligations. The Company focuses on expanding organisational abilities and enhancing organisational efficacy by employing competent and motivated workers. Employee empowerment has been essential to propelling the Company to the next level of development.

Each business vertical of the Company has a performance management strategy that assists in aligning individual performance with that of the business. In this context, talent management and development play a crucial role in attracting and developing people's capabilities for their growth and, through them, the effectiveness of the Company. Additionally, the Company defines and adopts best industry practises relating to Health, Safety, Security, and Environment, which define the core of its business and ensure the development of a culture in which its workers drive these standards.

INTERNAL CONTROL

The Company has implemented a sufficient system of internal control to preserve all of its assets and guarantee operational excellence. Additionally, the system precisely documents every transaction detail and assures regulatory compliance. Further, the Company employs a staff of internal auditors to ensure that all transactions are correctly authorised and reported. The Board's Audit Committee evaluates the reports. Where required, reinforce internal control systems and initiate corrective actions

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

BUSINESS RESPONSIBILITY REPORT

SECTON A

1.	CIN of the Company	L65910KL1992PLC006623
2.	Name of the Company	Manappuram Finance Limited
3.	Registered Office	Manappuram Finance Limited IV / 470 (old) W638A (New), Manappuram House, Valapad, Thrissur, Kerala, India- 680 567 Landline: 0487 3050 000, 3050 108, 3050 100
4.	Website	www.manappuram.com
5.	E-mail id	mail@manappuram.com
6.	Financial Year reported	2021-22
7.	Sector (s) that the Company is engaged in (industrial activity code-wise)	As per National Industrial Classification - 2008, Section K - Financial and Insurance Activities Division 64 - Financial Service Activities, except insurance and pension funding. Code: 64191 Financial Service Activities, except insurance and pension funding. Code: 64191 Manappuram Finance Limited is a non-banking company governed by RBI Act, 1934
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	• Gold loan • Vehicle and Equipment Finance • On lending (Corporate Loan)
9.	Total number of locations where business activity is undertaken by the Company	
	Number of International Locations (Provide details of major 5)	None
	Number of National Locations	As on 31st March, 2022, Manappuram Finance Limited has 3,526 branches across 22 states and 6 Union Territories of India.
10.	Markets served by the Company: (Local / State / National / International)	Manappuram Finance Limited serves customers in national market.

SECTON B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital	₹ 1,692.79 million
2.	Total Turnover	₹ 45,869.97 Million
3.	Total Profit after Taxes	₹ 13,045.37Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	2.06% (For the purpose of percentage calculation, PAT in the Statement of Profit & Loss Account for the year ended as on March 31, 2022 is considered. The percentage also includes unspent amount of previous FY 2020-21 which is spent in the FY 2021-22)
5.	List of activities in which expenditure in 4 above has been incurred	Activities are predominantly in the area of Quality education, Healthcare, Community Development including Day Care facilities for senior citizens, Empowerment of women, Environment sustainability etc. For more details please refer Annexure V of Boards Report.

SECTON C - OTHER DETAILS

1 **Does the Company have any Subsidiary Company/ Companies?**
Yes

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)**
Yes. Four Subsidiaries

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%]**
Yes, there are various entities that Manappuram Finance Limited does business with, which take part in the BR initiatives. We engage with our subsidiaries, business associates, implementing partners and suppliers to be part of our BR related initiatives. At present, the percentage of BR initiatives would be less than 30% and we are keen to increase the level of participation of all stakeholders.

SECTON D - BUSINESS RESPONSIBILITY INFORMATION

1 **Details of Director/ Directors responsible for BR**

a. **Details of the Director/ Directors responsible for implementation of the BR policy/ policies**

DIN Number : 00044512

Name : Mr. V P Nandakumar.

Designation : Managing Director & Chief Executive Officer

b. **Details of the BR head** : Nil

2. **Principle-Wise (As per NVGs) BR Policy / Policies**

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

No	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words) (Note 1)	N	N	N	N	N	N	N	N	N
4	Has the policy being 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	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	Y
6	Indicate the link for the policy to be viewed online? (Note 2)	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	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	N	N	N	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? (Note 3)	Y	Y	Y	Y	Y	N	N	Y	Y

(b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why:**
Not Applicable

Note 1

During the year, the Company has not implemented National/ International Standards w.r.t its policies. However, the Company conducts business in line with the rules, regulations, and directions of the Reserve Bank of India, Companies Act 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and such other regulations and acts passed by the Government of India from time to time.

Note 2

The Web-link and accessibility to the following policies which are relevant to the principles are available on https://www.manappuram.com/policies-codes.html and https://www.manappuram.com/public/uploads/editor-images/files/Revised%20Policy%20on%20CG_15.03.2022.pdf

- Business Responsibility Policy
- Corporate Social Responsibility Policy
- Fair Practice Code
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Interest Rate Policy
- Mechanism for Dealing with Customer Complaints & Redressal
- Policy on Related Party Transactions
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Know Your Customer (KYC) and Prevention of Money Laundering Activities Policy
- Cross selling policy
- Dividend Distribution Policy
- Investment Policy
- Auction Policy
- Whistle Blower Policy and Vigil Mechanism
- Policy for Determination of Materiality and Disclosure of Material Events/ Infromation
- Policy on Transfer of Unclaimed Amount of Secured Redeemable Non-Convertible Debentures ("NCDS") To IEPF
- Risk Based Internal Audit Policy
- Gift Policy
- Asset - Liability Management Policy
- Media Policy
- Social Media Policy
- Internal Guidelines on Corporate Governance

Some of the policies with respect to employees are only available on intranet of the Company.

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**
The overall BR performance is reviewed annually by the Management and the Board.

b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
This is the Sixth Business Responsibility Report of the Company. Manappuram Finance Limited publishes BR Report annually which forms part of Annual Report. It is available at https://www.manappuram.com/investors/annual-reports.html

SECTION E - PRINCIPLE - WISE PERFORMANCE

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTBLE

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?**
No. The Policies relating to ethics, bribery and corruption cover not only Manappuram Finance Limited, but also extends to subsidiaries, Vendors, Consultants, Suppliers, and other external stakeholders.

Manappuram Finance Limited accords utmost importance to ethical, transparent, and accountable conduct by its employees and stakeholders. The Compliance function of Manappuram Finance Limited ensures needed compliance with various regulatory and statutory requirements at all appropriate levels within the Organization. It also updates the Board and the Management on the status of compliances in the changing regulatory environment.

Manappuram Finance Limited commits timely disclosures and transparency at all levels so as to provide access to all relevant information about its business to stakeholders. The Corporate Governance practices apply across various businesses of Manappuram Finance Limited including Board Governance. The Board oversees the service of the Management towards protection of stakeholders' interest in the long run.

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.**

   There was Nil stakeholder complaint received in the reporting period with regard to ethics, bribery and corruption. Further, as an NBFC dealing with a large number of retail customers, the Company gets routine complaints relating to customer service etc. The same is handled by the Company's customer relationship management (CRM) team and the cases are closed expeditiously with utmost importance.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

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

   The most important product of the Company is gold loans which are availed mostly by the vulnerable and underprivileged sections of society who are largely financially excluded. As they lack access to banks, they prefer to park their meagre savings in gold jewellery and in times of need, they pledge their jewellery to raise money. In this way, gold loans fulfil the credit needs of the excluded sections of society and contribute to social progress.

   The Company has also incorporated social and environmental opportunities in its financial operations, for example, Manappuram Finance Limited has developed Online Gold Loan (OGL) which is India's first attempt at digitalization of the field. OGL is a step forward to attain the National objective of cashless transactions.

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

   a. **Reduction during sourcing/ production / distribution achieved since the previous year throughout the value chain.**

      As a company dealing in financial services, the main resource utilized by the organization is paper. Focus is given to making systems and procedures paperless and tech initiatives initiated to make the head office paperless. The launch of Online Gold Loan facility accessible to customers through a mobile app has reduced consumption of paper. Centralized ERP system implemented by Company helps to reduce paper usage at various divisions and branches. Manappuram Finance Limited has also implemented paperless Board and committee meetings so as to avoid usage of paper. Since the FY 2020, compliances with respect to SEBI (Insider Trading), Regulations, 2015 have also been done through an application which is paperless. Additionally, approvals/ intercompany communications have been made 100% paperless using an in-house application.

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

      Manappuram Finance Limited has made considerable efforts to create awareness among its customers and employees about prudent usage and conservation of natural resources.

      The Company uses low noise and low emission diesel generator sets (for power backup) at its corporate office, regional offices and reduces its environmental and carbon footprint by continuously exploring opportunities to enhance energy efficiency through measures such as monitoring energy consumption, use of energy efficient equipment etc.

      Manappuram Finance Limited has replaced all CFL lamps with LED lamps reducing the lighting load and is exploring the potential of using alternate sources of energy including solar energy and would continue to explore alternative sources of energy in future. During the Financial Year 2021-2022 Manappuram Finance Limited commissioned 3 Solar Power Plants with capacities of 13 Kilo Watt, 6.7 Kilo Watt and 6.5 Kilo Watt respectively. By installing the plants, the Company had saved Conventional Electrical Energy to the tune of 23000 Units (KWh)

      Manappuram Finance Limited minimizes the usage of lightings, air-condition systems and other various infrastructure services in branches, offices and the corporate offce to inculcate an atmosphere of energy efficiency.

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

   a. **If yes, what percentage of your inputs was sourced sustainably?**

      Our major material requirements are office and IT related equipments. Manappuram Finance Limited has various vendor agreements for major suppliers which are in line with prescribed labour and environment standards, and ethical business practices. It may not be possible to ascertain the percentage of inputs that are sourced sustainably. However, the Company prioritize the procurement of materials from local vendors so as to avoid transportation and aimed to give business opportunity to local vendors.

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

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

      Manappuram Finance Limited has a wide network of branches in 22 states and 6 UTs of India to reach out to rural, semi- urban and urban customers. The Company has used the Business Associate model to enhance its business and reach out to customers. Under this model, Business Associates are recruited locally. Branches to select vendors as per the procurement standards and many items of minimal value are sourced locally.

The Company has taken several initiatives for the development of local suppliers of goods and services.

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL BEING OF ALL THE EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

1. **Please indicate the Total number of employees:** 27651 employees were on the payroll of Manappuram Finance Limited as on 31st March, 2022.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.** Manappuram Finance Limited has hired 85 employees on temporary/ contractual/ casual basis.

3. **Please indicate the Number of permanent women employees.**
   8,320 permanent women employees were on the payroll of the Company as on 31st March 2022.

4. **Please indicate the Number of permanent employees with disabilities.**
   There was no permanent employee with disabilities on the payroll of the Company as on 31st March 2022.

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?**
   Nil

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.**
   There were 9 complaints regarding sexual harassment which were filed with Internal Complaints Committee of the Company and 9 were resolved by the Committee during FY 2021-22.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
   Induction and skill up-gradation training programmes are routinely conducted, and it covers a substantial part of the workforce every year. The training programmes cover various aspects such as product training, soft skills, and behavioral training etc.

   a. **Permanent Employees:** 95%
   b. **Permanent Women Employees:** 98%
   c. **Casual / Temporary / Contractual Employees:** 94%
   d. **Employees with Disabilities:** 0.00%

   The Company has conducted programmes on awareness of prevention of sexual harassment and health awareness for women employees. The company is conducting Yoga classes and interested employees can attend the same at concessional rates.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

1. **Has the Company mapped its internal and external stakeholders? Yes / No**
   Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.**
   Yes.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**
   Yes, Manappuram Finance Limited regularly undertakes initiatives to engage with disadvantaged, vulnerable & marginalised stakeholders. Manappuram Finance Limited is committed to providing financial services in rural/ unbanked areas. As on 31st March, 2022, out of 3526 branches of the Company, 717 branches were operating in rural areas. We believe that stakeholders have a key role to play in the growth of the organization. It is our endeavour to build strong relationships with each of the stakeholders to meet their financial needs through better service and products and ensure harmonious and sustainable growth for the Company. Manappuram Finance Limited has evolved formal and informal engagement mechanisms to understand stakeholders' expectations and concerns.

   Manappuram Finance Limited's engagement with few key stakeholders is described below:

   Shareholders, Customers & Investors
   Equity Shareholders, NCD holders, FIIs, Banks/ Lenders and Customers form part of key stakeholders of Manappuram Finance Limited. There are various procedures for resolving complaints of these stakeholders including through toll-free telephone lines, emails, letters, through the SEBI SCORES portal, through customer engagements at branches, regional offices and corporate office. Investor grievance cells also help in resolving the complaints of these stakeholders.

Conference calls are organized by Manappuram Finance Limited post quarterly results for analysts and investors to interact with senior management of the Company. The transcript of this call is made available on the organization's website: www.manappuram.com.

Employees
Employees too form an important category of stakeholders of Manappuram Finance Limited. The programs, benefits, rewards, cells for redressal of grievances and employee satisfaction initiatives are conducted all-round the year to ensure effective employee engagement.

Government & Regulators
The Government and Regulators such as Reserve Bank of India, the Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited, Debenture Trustees, Depositories, Registrar of Companies, etc. are engaged through various statutory filings, regular meetings, emails & letters.

Business Associates, Vendors and Suppliers
Business Associates, Vendors and Suppliers are engaged through meetings, letters, emails, supplier contracts and such other means.

Community
Manappuram Foundation, a public charitable trust formed in 2009 and a promotor group entity of Manappuram Finance Limited is the CSR implementing agency of the company monitored by its CSR Committe, had undertaken extensive Corporate Social Responsibility (CSR) initiatives, as detailed in the Report on CSR activities, annexed to the Board's report.

Media
The Media is engaged through advertising, media interaction, interviews, press releases, emails etc. The marketing team partakes in the dialogue with such stakeholders.

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?** No. The policies revolving around human rights cover not only Manappuram Finance Limited but also other stakeholders.

   Manappuram Finance Limited is concerned about the impact on human rights. It respects every citizen's right and ensures its policies and operations are non-discriminatory, upholding dignity of every employee, customer and stakeholder.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   Manappuram Finance Limited did not receive any complaint relating to human rights violations from internal or external stakeholders.

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND 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?**
   Policy extends to its value chain such as subsidiaries, contactors, suppliers, vendors, consultants, and other stakeholders.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**
   No. At present, the Company is not having strategies to address global environmental issues.

3. **Does the Company identify and assess potential environmental risks?**
   As Manappuram Finance Limited is in the financial service industry, it has not identified or assessed the potential environmental risks.

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, the Company does not have any project related to the Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.**
   Manappuram Finance Limited has undertaken various initiatives on energy efficiency and renewable energy.

   Manappuram Finance Limited is an environment friendly organization constantly working towards developing solutions to minimize its impact on the environment. Manappuram Finance Limited encourages shareholders to opt for electronic copies of the Annual Report through its Green Initiative program. A Paperless office project has been implemented to ensure minimum usage of paper at the office. Several measures are undertaken to minimize the environmental impact due to business travel such as video/ audio conferencing facilities at regional offices and all major branch offices.

Manappuram Finance Limited uses low noise and low emission diesel generator sets at its regional offices and head office. The Company seeks to reduce its environmental and carbon footprint by continuously exploring opportunities to enhance energy efficiency through measures such as monitoring energy consumption, use of energy efficient equipment etc.

Manappuram Finance Limited minimizes the usage of lightings, air- condition systems and other various infrastructure services in branches and the corporate office to inculcate an atmosphere of energy efficiency.

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 to the Company.

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.**
   No show cause/ legal notices were received.

PRINCIPLE 7

BUSINESSES WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

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:**
   Manappuram Finance Limited is an active member of several trade bodies and associations. Some of the major ones are listed below:
   1. Confederation of India Industry ('CII')
   2. The Federation of Indian Chambers of Commerce and Industry ('FICCI')
   3. Associated Chambers of Commerce and Industry of India ('ASSOCHAM')
   4. Finance Industry Development Council (FIDC)
   5. Association of Gold Loan Financing Companies (India)

   Through these associations, Manappuram Finance Limited promotes an efficient and transparent financial system and works to enhance financial literacy. Manappuram Finance Limited also participates in key initiatives undertaken by the Government and Regulators.

   In addition to the above, Top Management of Manappuram Finance Limited are members of various committees constituted by the Government of India, Regulators, and other industry bodies.

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)?**
   Manappuram Finance Limited is also working with Government agencies, other financial institutions and industry associations like CII and FICCI towards promotion of green technology, conservation of water, organic farming etc.

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE 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.**
   Manappuram Finance Limited has several products and services which provide financial services to urban, semi-urban and rural areas of India. Manappuram Finance Limited has adopted a strategically different service approach for catering to people in these areas.

   In addition, there are various projects undertaken through Manappuram Foundation as part of the Company's CSR initiatives. Please refer to the Report on CSR Activities, annexed to the Board's Report for more information on CSR activities of the Company.

2. **Are the programmes/ projects undertaken through in- house team/ own foundation / external NGO / Government structures / any other organisation?**
   Manappuram Foundation, a public charitable trust formed in 2009 and a promoter group entity of Manappuram Finance Limited which is a CSR implementing agency of the Company monitored by CSR Committee, has undertaken extensive Corporate Social Responsibility (CSR) initiatives, as detailed in the Report on CSR Activities, annexed to the Board's Report.

   The approach adopted by Manappuram Foundation is to enhance income flows of households through livelihood inputs and market linkages, as well as helping Government and non- Government organisations to deliver better service to the community. The major areas of focus are education, healthcare, rural development, Old Age Homes/ Day Care facilities for senior citizens and Empowerment of women.

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

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   Please refer to the Report on CSR activities, annexed to the Board's Report for amount and details of the projects undertaken.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**
   Through effective stakeholder engagement, Manappuram Finance Limited ensures that its community engagement initiatives have a strong focus on sustainability in the long term.

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**
   35.05 % of Consumer cases were pending as on the end of FY 2021-22.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**
   Manappuram Finance Limited is a non-banking finance company and it is not applicable.

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 the end of financial year.**
   There were 425 cases filed against the Company regarding unfair trade practices during last five years out of which 149 cases are pending as on the end of FY 2021-22.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**
   Manappuram Finance Limited periodically carries out surveys to measures the satisfaction among its customers, understand their expectations and to gauge its own competitiveness in the industry.

   Manappuram Finance Limited has a robust mechanism for gathering feedback for resolving grievances of its customers. Customer queries and complaints are addressed by employees as well as a dedicated call centre. This dedicated facility has been implemented for imparting information on our products, resolving queries relating to loan account balances, account statements, KYC documentation, etc.

   Some of the key policies for protection of customers are:
   The Customer Grievance Redressal Policy underlines fair and equal treatment to customers without any bias. Grievances are resolved within the prescribed turnaround time (TAT). Customers are made aware of alternative remedial channels if they are not satisfied and the effort is to enable customers to make informed choices regarding our products and to reduce errors in financial transactions.

   Through the Fair Practice Code, Manappuram Finance Limited undertakes to provide comprehensive information relating to fees, charges, refunds, processing timelines, application status for products, loan processes, Auction process and communication of approval and rejection of loan applications.

   Auction Policy and Interest Rate policy provides information pertaining to auction process in case of default in repayment of loan and interest rates for the loan products, respectively.

   Manappuram Finance Limited has imparted training to its employees to enable the employees to understand the customer's needs and extend quality service to them.

   Manappuram Finance Limited provides transparent information on all its products through its website: www.manappuram.com which has details such as product features, service charges, applicable fees, interest rates, deposit schemes etc. Manappuram Finance Limited also offers online tools and mobile applications for customers to understand their eligibility for its products and services.

BOARD'S REPORT

Dear Members,

The Board of Directors of Manappuram Finance Limited have pleasure in presenting before you, the 30th Annual Report of the Company together with the Audited Consolidated and Standalone Statements of Accounts for the financial year ended 31st March, 2022.

1. FINANCIAL SUMMARY/ HIGHLIGHTS AND STATE OF AFFAIRS

₹ in million

Description	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Gross Income	45,869.97	51,935.15	61,263.14	63,746.24
Total Expenditure	28,372.18	29,239.63	43,427.91	40,585.84
Profit Before Tax	17,497.79	22,695.52	17,835.23	23,160.40
Provision for Taxes/ Deferred tax	4,452.42	5,716.33	4,548.18	5,910.83
PAT before comprehensive income	13,045.37	16,979.19	13,287.05	17,249.57
Other Comprehensive Income	(113.21)	(146.03)	(81.53)	(156.78)
Minority interest			3.36	6.56
PAT including comprehensive income	12,932.16	16,833.16	13,202.18	17,086.23
Amount available for appropriations (Retained Earnings-Opening balance)	35,134.99	22,615.19	38,135.58	25,516.18
Appropriations:				
Profit for the year	13,045.37	16979.19	13,295.09	17,249.54
Transfer to statutory Reserve	(2,609.07)	(3401.68)	(2,650.36)	(3,461.01)
Interim Dividend on Equity share	(2,539.14)	(1,057.71)	(2,539.14)	(1,057.71)
Tax on Dividend				
Adjustment on account of IND AS (Impairment Reserve)	(439.93)	0	(439.93)	(12.14)
Loss on acquisition			(82.32)	(88.07)
Utilised during the year				(11.21)
Balance carried forward to next year (Closing Balance)	42592.22	35134.99	45,718.91	38,135.58

The Company's gross income for the financial year ended 31st March 2022 decreased to ₹45,869.97 million as compared to ₹51,935.15 million in the previous financial year thereby registering an decrease of 11.68%. The profit before tax of the Company decreased to ₹17,497.79 million during the year as against ₹22,695.52 million in the previous year. The net profit for the year decreased by 23.17% to ₹12,932.16 million from ₹16,833.16 million in the previous financial year. Asset Under Management (AUM) were at ₹2,24,127.93 million as at 31st March 2022 as against ₹2,05,304.25 million as at 31st March 2021.

The Company's consolidated AUM grew by 11.15% to ₹3,02,608.17 million during the year owing to rapid growth in the microfinance (17.00%), housing finance (26.87%) and vehicle finance (56.11%) AUMs. Gold loan AUMs grew 4.14 % during the year.

The Company also implemented multiple campaigns to increase awareness among the customers about the benefits of digital transactions. Through its local marketing initiatives, the Company covered individuals belonging to the masses segment and concentrated on getting close and personally relevant to understand the financial needs of the people in these sections. Consistent review and monitoring at field level was also done to ensure business propensity.

During the year, the Company undertook various employee engagement initiatives to motivate them and improve their efficiencies. The Company will continue to engage in such initiatives in the future to serve its customers better and thereby achieve higher growth.

2. DIVERSIFICATION OF BUSINESS

In 2014 your Company decided to pursue diversification into other complementary businesses on the strength of large net worth, access to debt capital on competitive terms and access to customer relationships built over decades, through business mainstay of gold loans.

The objective of the diversification strategy is to reduce the dependence of the company on gold loan AUM alone and to achieve a comfortable balance between the new lines of business and gold loans.

Our ambition is to achieve a 50-50 mix between the diversified business and gold loans in years to come. In this process we are endeavouring to address certain key business paradigms such as enhancing regulatory comfort by migrating from a single product NBFC to a multi-product financial services provider and thereby cater needs of existing and new customers with new products and services in the financial space. Finally, it enables your Company to play a leading role in accelerating the National objective of financial inclusion by addressing the needs of the underprivileged sections of our population.

Accordingly, your Company is now focusing on affordable housing finance, vehicle and equipment finance which includes commercial vehicle loans, two-wheeler loans, tractor & car loans, microfinance, SME finance, project and industrial finance, corporate finance and insurance broking. Over the last four to five years, the Company has made much progress in all these new businesses, having steadily scaled up operations by leveraging its existing customer base, branch network and the goodwill of the Manappuram Brand.

The key achievement thus far is that having begun literally from scratch in FY 2015, the Company's non-gold new businesses now contribute 11.36% of the total assets under management. In the past year, Microfinance AUM has grown from ₹59,846.30 million in FY2021 to ₹70,021.83 millionin FY2022. Your Company's divisions vehicle and equipment finance and corporate finance have ended the year with an AUM of ₹16,431.60 million and ₹9.02 million, respectively. Your Company's housing subsidiary, Manappuram Home Finance Limited has ended the year with an AUM of ₹8.45 billion while the insurance broking subsidiary has contributed revenue of ₹113.26 million.

The other business verticals of our Company include Payments business, SME business and fee-based services including forex and money transfer.

VEHICLE & EQUIPMENT FINANCE

The vehicle finance portfolio is about ₹16,431.60 million spread across 242 locations in 23 states as of 31st March 2022. The preowned commercial vehicles portfolio is ₹9,750 million and new commercial vehicles are of ₹632 million with 19,914 contracts. The two-wheeler finance portfolio is of ₹2722 million with 78853 contracts and other vehicle loans make up a portfolio of around ₹3,327 million. The business is supported by robust pre-screening methodologies and credit assessment for a healthy portfolio mix.

Market is bullish towards commercial vehicle as in the budget 2022 a lot of emphasize is given on building of the infrastructure. Focus on warehouse and logistic infrastructure to result in higher demand for Small Commercial Vehicle & Heavy Commercial Vehicle. The portfolio exposure is to retail clientele and is spread across industries thus ensuring appropriate de risking.

The tractor demand is mainly seen as a derivative of the rural economy and farming. The agriculture and farming sector contributes about 16% to India's GDP. There are a lot of opportunities and utilities for tractors beyond the farm and rural sectors.

Two-wheeler loan market in India is projected to grow from an estimated $ 7.2 billion in 2020 to $ 12.3 billion by 2025.

MSME BUSINESS

MSMEs are an important sector for the Indian economy and have contributed immensely to the country's socio-economic development. It not only generates employment opportunities but also works hand-in-hand towards the development of the nation's backward and rural areas. Unlike large and medium enterprises that have access to institutional finance, small enterprises depend on regular cash flows for their survival.

To tap the potentials of growing MSMEs across the country, in 2019 we started MSME finance manned and managed by home grown gold loan employees. Simultaneously we started Micro Home Loans and Digital Personal Loans for providing affordable loans to the MSME customers. Initially, we entered in the southern markets of Kerala, Tamil Nadu, Karnataka & Andhra Pradesh targeting the local Kirana shops, small restaurants, small industrial establishments etc, supported by leads from our pool of gold loan customers. As business grew, we have augmented our staff by recruiting freshers and provided them qualitative training through our digital platform "MADU" and on the job training.

During the pandemic, we extensively focused on helping our customers to overcome their financial. Difficulties but at the same time we managed the portfolio without impairment supported by our trained and efficient collection team. Learning from the experience during the pandemic, we spread our presence to northern as well as eastern regions. Judiciously, we limited the loan amount up to 15 lakhs and disbursed only secured loans. We have a range of products as follows.

a. Loan to Business/ Service Providers.

b. Loan Against Property (Micro Mortgage)

c. Consumption Loans

d. Lease Rental Discounting

e. Financing of home improvements.

We have adopted a hub and spoke model which eased the loan approval process and reduced TAT. The hubs are staffed by credit managers, sales managers, and operations managers. MSME business looks at the overall family income, indebtedness, and repayment obligations of the family as a whole, which helps us to estimate cashflows of the small borrowers accurately. To ensure credit quality, functions of credit and risk are made independent. Credit Monitoring team which conducts review of loans immediately after sanction, oversight by Credit and Risk on the credit processes, credit audit and audit by vigilance etc helped the division to reduce delinquencies and maintain good asset quality. Establishment of customer relation management team, exclusively to cater the MSME borrowers helped the division to bring down the cheque bounce ratio below 4% and net NPA level @ 1.1% as on 31st March 2022 despite the intermittent challenges posed by the pandemic.

The consolidated MSME AUM as on 31st March 2022 stands at 871Cr. We are targeting growth at a CAGR of 25% in the next five years. Manappuram Finance's MSME business has made a strong start and we look forward to keep our small enterprises flourish.

FEE-BASED SERVICES INCLUDING FOREX AND MONEY TRANSFER

Our Company's fee-based services include money transfer, foreign exchange, and depository services. We facilitate fast, easy, and safe money transfer and the customer does not require a bank account for an amount of up to ₹50,000 subject to compliance with applicable RBI norms. We assist in exchange of currency for purposes as permitted under the foreign exchange management act (FEMA). Our Company is an Authorized Dealer (AD) Category 2 license holder from RBI. In December 2017, Manappuram Finance Limited received RBI's license to act as the Indian Agent for Western Union Money Transfer. We also act as sub-agents to the Indian representatives of other companies providing money transfer inward remittance.

Following are the highlights of our fee-based services:

- Tie up with nine money transfer agencies for inward remittance.
- About 60% of the inward remittance is contributed by Western Union.
- As an Indian agent of Western Union, we can appoint sub agents to work on our behalf all over India.
- Turnover of MTSS business is around ₹13 crore per month.
- We have more than 178 active sub-agents for Western Union business who contribute about ₹1.65 crore of business per month.

PAYMENTS BUSINESS

It was in March 2017 that Manappuram Finance Limited received RBI's authorisation to issue prepaid payment instruments (payment wallet) and went on to launch the MAkash wallet. A mobile wallet is a way to carry cash in digital format that promotes the country's cashless payments initiative. Customers can load money into the wallet using a credit card, debit card, net banking and UPI. Alternatively, they can walk into any of the MAFIL branches across India and load cash into the wallet without any extra cost.

With over one lakh customers, MAkash has registered steady growth. The wallet registers an average of 13,000 transactions per month valued at about ₹9 Crore. Customers can avail the assistance of MAFIL Branches to create the wallet and conduct transactions. The following services are available with MAkash Online and Offline modes:

- Phone Recharge & DTH: With money loaded in your MAkash wallet, it takes just seconds to make phone and DTH recharges.
- Bill Payments: Pay all your bills across categories via MAkash in no time and avoid late payment charges
- Transfer money to Bank: You can Load money from your Credit card/ Debit Card/ Net Banking and send it to any bank account in India, any time.

STATE OF AFFAIRS OF OUR SUBSIDIARIES

ASIRVAD MICRO FINANCE LIMITED (AMFL)

Asirvad Microfinance Limited ("AMFL/Company") was formed with the intention of providing financial access to the underserved through the formation of a commercially viable business. The Company has successfully started in Tamil Nadu and is incorporated under The Companies Act,1956 on 29th Aug 2007. Access to financial services is perhaps one of the most important requirements of any household across the world and in turn leads to access to other services and consequently better standard of living. AMFL has obtained NBFC License from Reserve Bank of India on 14th Dec, 2007. Started forming groups from 15th Dec, 2007, and first lending operations with effect from 21st Jan, 2008. The Company's Vision is "Small loans, Big dreams"

In February 2015 Manappuram Finance Ltd took over the Company with the stake of 85%, the portfolio touched ₹1000 crores AUM (Asset Under Management). After Manappuram Finance take cover, AMFL was able to leverage its parent's credit worthiness. It got better access to bank finance at significantly lower cost and expanded to new geographies like Madhya Pradesh, Chhatisgarh, Punjab, Haryana, Chandigarh, Jharkhand, Bihar, West Bengal, and Uttar Pradesh by end of 2015-16.

Performance of the Company

Asirvad was able to grow its business substantially in the first full year of operations after its takeover. The net profit for the year ended March 31, 2016, has gone up to ₹23.96 Cr. Fiscal year 2016-17 was overall a good year for AMFL as it was able to grow its business substantially to end the year with an AUM of nearly 1,800 Cr on an 80% increase compared to the year ago.

MFI Loans

Currently, the Company has a presence in 23 states/ UTs and it is also ranked as the 2nd largest MFI in India. The Company's AUM stands at ₹6,653.00 Crores and it represents a significant accomplishment. The total centres are 2,57,031 which includes 1204 branches with 25,37,031 active members and 12,581 staffs. The single-point objective of the Company is to make a valuable contribution towards the lives of our customers, and we made it a point to stand strong with them even during these tough pandemic days by introducing new loan products. AMFL has launched gold loans in branches across the states of Assam, Bihar, Odisha and West Bengal. AMFL is determined to serve the customers keeping their best interests in mind. The Company has forayed into lending for MSME enterprise against the security of property having started operations in 23 branches across Andhra Pradesh, Telangana, Karnataka, and Tamil Nadu.

MSME Loans

MSME Business commenced in the month of July 2019. The loan products, process and people focus on enhancing the economic output of customers. It caters to the "Missing Middle" segment largely comprising of small businesses like Kirana Shops, Small Manufacturing units, Agri and Allied trading etc., The non-traditional methods of income assessments not only have given good results but are also well appreciated by customers. All MSME loans are backed with land and building as collateral. Total branches are 23, no of customers 1240 and the AUM 47.9 crores.

Gold Loan

A new loan product called "Gold Loan" was launched in Odisha and West Bengal on 10th March 2021. This was introduced with a key objective to help customers on-going business capital for income generation activity. Thereby, so far Asirvad has launched 305 branches of Gold Loan in Assam, Andhra Pradesh, Bihar, Hariyana, Madhya Pradesh, Odisha, Punjab, Rajasthan, Telangana, Uttar Pradesh & West Bengal with effect from 10th March 2021. The company offers progressively higher loan amounts at higher price points through different Gold loan schemes with different interest rates.

Asirvad is intensely looking to expand business. As a Company, AMFL believes in the power of technology and over the years have adopted various innovations such as Loan Management System (LMS) and usage of DigiPay and other digital platforms for payment, with many more initiatives in the pipeline. Automation has enriched the lives of both employees and customers without compromising on the quality of work done. AMFL is constantly looking for ways to improve knowledge and skills of employees and, based on this consideration, the Company has introduced the Learning Management System to create awareness, knowledge, and vigilance. Also, to further improve the morale and confidence of women employees, the Company has launched a "Women's Club" in March 2021 on the occasion of International Women's Day. The club provides women with a platform within the organization where they can showcase their skills and talent for a healthy work environment.

MANAPPURAM HOME FINANCE LIMITED (MAHOFIN)

MAHOFIN, a wholly owned subsidiary of Manappuram Finance Limited, started operations in January 2015 and focuses on affordable housing loans and aims to cater to the needs of mid-income to the low-income group. The housing finance business registered 26.86 per cent growth in its AUM in Fiscal 2022, posting a CAGR of 17.67 per cent in the past five years. It reached an AUM of ₹8452.69 millions as on 31st March, 2022. Currently, there are 73 branches across 12 states. The southern region contributes the largest share of the loan portfolio. Considering the increasing urbanisation and the rise of tier II and tier III cities, the Company is also planning to cover nearby states and locations.

Positioned as an affordable home finance company, target customers are the self-employed from the unorganised sector and others lacking access to credit facilities from mainstream financial institutions. The Company offers two products - Home Loans and Loans Against Property. The average ticket size of a Home Loan is about ₹0.727 million, and for the LAP segment, it stands at about ₹0.629 million.

As a part of digitisation, the Company has introduced the "Mobile-Customer Acquisition System" (mCAS) for faster processing of loan applications and "Mobile Collect" (M-Collect) for speeding up the collection process.

The Company is looking to diversify funding sources and in October 2019 it succeeded in raising about ₹943.19 millions by a public issue of NCDs. The portfolio faced minimal delinquencies with GNPA held at 5.94 per cent. The Company has a capital adequacy ratio around 38.66 per cent (well above the regulatory requirement).

MANAPPURAM INSURANCE BROKERS LIMITED (MAIBRO)

Manappuram Insurance Brokers Limited (MAIBRO) became a wholly owned Subsidiary of Manappuram Finance Limited in January 2016, In 2006, MAIBRO became a licensed Broker with (Insurance Regulatory and Development Authority of India) since then the growth of the Company has been steady. It is a direct insurance broker licensed by Insurance Regulatory and Development Authority of India (IRDAI) for doing life and non-life business. Company during the year marked its achievement by launching its B2C platform www.masuraksha.com. The platform provides facility for customers to compare premium rates of various insurance companies and choose best policy at best rate. The policy taking steps are very simple "select product" "fill details" "make payment and get policy". As a first phase company launched Two wheeler insurance, Four wheeler insurance and Health Insurance products in the platform. This will support customers to compare and take best policy with in few minutes. The portal works 24X7 and offers best coverage, rates and services. Company during the financial year 2021-22 had also focused on faster claim processing, providing best quote to its clients and in speedy resolution of customer query, request and complaints.

The Company ended the fiscal year 2021-22 at ₹1752.5 million of total business of which new business was of ₹1533.3 million in the fiscal. Company during the year served 2.47 million customers. MAIBRO achieved a net profit of ₹33.31 million in FY 2021-22 vs ₹29.03 million in FY 2020-21 and is constantly in a thrive to achieve new hights by focusing to digitalise the solicitation process.

The Company covered 0.039 millions families with a health cover, 0.032 millions customers with PA cover and 2.35 million customers with death cover.

Company today has over 8000 Point of sales Agents who are working PAN India and helps in penetration of Insurance Products among all sectors of people. Company supported families during the difficult hours and has been able to successfully settle 91% of claims reported.

MANAPPURAM COMPTECH AND CONSULTANTS LTD. (MACOM)

Manappuram Comptech and Consultants Limited (MACOM), another subsidiary of your company, concluded the year with total revenue of INR 304.21 million. The Company's revenue portfolio has grown by INR 79.40 million. The company provides audit and taxation services, as well as core IT services, to meet a variety of market needs, such as application development for digital personal loans, loan management solutions, microfinance solutions etc. During the year, MACOM has successfully completed cloud migration of the parent company has provided oracle based cloud platforms to other fellow-subsidiaries. The company built a name for itself during the year by producing totally android-based apps for EMI collection, customer and agent collection, and so on. MACOM's net profit was INR 18.25 million in FY 2021-22, compared to INR 42.71 million in FY 2020-21, and the company is prepared to take off from here. MACOM has successfully achieved ISO 27001:2013 Information Security Management Systems Certification.

3. SUBSIDIARIES PERFORMANCE

Your Company holds 97.51% equity shares of Asirvad Microfinance Limited, 100% equity shares of Manappuram Home Finance Limited, 100 % equity shares of Manappuram Insurance Brokers Limited and 99.81% of Manappuram Comptech and Consultants Limited as on 31st March, 2022.

Asirvad Microfinance Limited

Gross Income of the Company as on 31st March, 2022 is ₹139,96.997 million as compared to ₹107,71.836 million for the year ended 31st March, 2021 and Profit After Tax is ₹134.32 million for the year ended 31st March, 2022 as compared to ₹168.81 million for the year ended 31st March, 2021.

Manappuram Home Finance Limited

Gross Income of the Company as on 31st March, 2022 is ₹1226.07 millions as compared to ₹971.31 millions for the year ended 31 March, 2021, and Profit After Tax is ₹72.11 millions for the year ended 31st March, 2022 as compared to ₹102.90 millions for the year ended 31st March, 2021. AUM of the Company as on 31st March, 2022 is ₹8452.69 millions.

Manappuram Insurance Brokers Limited

MAIBRO has entered tie up with the best insurance companies in the market which helped the Company in providing best quotes and services to its customers. MAIBRO offered insurance products of 37 insurance companies (22 general insurance companies and 15 life insurance companies) registered with IRDAI and ensured best claim settlement ratio.

Gross income of the Company for the year ended 31st March, 2022 stood at ₹113.26 million as compared to ₹99.00 million for the year ended 31st March, 2021 and Profit After Tax for the year ended 31st March, 2022 is ₹33.31million as compared to ₹29.03 million for the year ended 31 March, 2021.

Manappuram Comptech and Consultants Limited

Manappuram Comptech and Consultants Limited's gross income for the year ended March 31, 2022 is INR 307.07 million, compared to INR 227.28 million for the year ended March 31, 2021, and profit after tax for the year ended March 31, 2022 is INR 13.27 million, compared to profit of INR 31.46 million for the year ended March 31, 2021.

Salient features of financial statements of the Company's subsidiaries in Form AOC-1 and highlights of the performance of subsidiaries are annexed herewith as Annexure – I

4. RESERVES

During the FY 2021-22, the Company has utilized ₹Nil with regards to adoption of Ind AS 116 "Leases" from Retained earnings.

The total standalone reserves and surplus as on 31st March, 2022 stands at ₹77,735.99 million

5. DEBENTURE REDEMPTION RESERVE

Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amended the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in sub-clause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

6. RESOURCES

The Company as an NBFC, mobilisation of resources at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the Company. The main source of funding for the Company continues to be credit lines from the banks and financial institutions. Your Company as at 31 March, 2022 availed various credit facilities from 25 banks, 1 NBFC (Bajaj Finance), NABARD, SBI Life Insurance and International Finance Corporation (IFC).

Management has been making continuous efforts to broaden the resource base of the Company so as to maintain its competitive edge. The next important source of funding is the issue of Secured Redeemable Non-Convertible Debentures (NCDs). In addition, the Company also raised funds through the issue of Commercial Papers (CPs).

Your directors are confident that the Company will be able to raise adequate resources for onward lending in line with its business plans.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is attached and forms an integral part of the Annual Report. The report discusses in detail, the overall industry situation, economic developments, sector wise performance, outlook and state of company's affairs.

8. REPORT ON CORPORATE GOVERNANCE

The Company has been practicing principle of good Corporate Governance over the years. The endeavor of the Company is not only to comply with the regulatory requirements but also adhere to good Corporate Governance standards that lays strong emphasis on integrity, transparency, and overall accountability. The report on corporate governance forms integral part of this annual report.

9. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report in line with the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business, released by the Ministry of Corporate Affairs, Government of India and as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') forms integral part of this Annual Report and the same has been hosted on the website of the Company https://www.manappuram.com/investors/annual-reports.html

Business Responsibility Report provides information on key initiatives undertaken by the Company, driven by the triple bottom line (people, planet and Profit) aspects and is aligned with the nine principles of NVG. Your Company, together with its subsidiaries viz. Manappuram Home Finance Limited, Asirvad Microfinance Limited, Manappuram Insurance Brokers Limited and Manappuram Comptech and Consultants Limited, serves millions of customers in the financial services space. Your Company has moved towards enhancing the Business Responsibility framework to align them with the Business Responsibility Reporting guidelines/standards as per SEBI.

Your Company's initiatives of Sustainability, Corporate Social Responsibility (CSR) and Business Responsibility is driven from the top. Board-level CSR Committee is entrusted with formulating, revising, and updating our CSR Policy which governs the implementation of all our CSR initiatives in compliance with Section 135 of Companies Act, 2013. Various policies including CSR Policy and Business responsibility policy guide our stringent adherence to compliance and governance. The business responsibility performance of the Company is assessed annually by the Board of Directors. Your Company believes in conducting its operations in a fair and transparent manner. Within the organization, your Company works towards integrating community development, responsible governance, stakeholder inclusiveness and environmental responsibility into business practices and operations.

Your Company seeks to differentiate itself by building a new age NBFC to serve the financial needs of all sections of society in India, especially the less privileged/ under privileged sections. This will be achieved by providing a basket of diversified products and services, backed by state-of-the-art technology, and driven through a culture that values customer service.

10. DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134 OF THE ACT

The Board of Directors, to the best of their knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have 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 of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

11. MEETINGS OF THE BOARD

During the financial year 2021-22, Board of Directors met on (10) Ten occasions. For further details of these Board Meetings, please refer to the Corporate Governance Section of this Report.

12. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

Your Company has received necessary declarations from all Independent Directors of the Company confirming that they meet criteria as mentioned in Section 149 of the Act and SEBI LODR. Your Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI NDSI Master Directions, 2016").

13. PROFICIENCY OF INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized, and respected individuals in their respective fields. It's an optimum mix of expertise (including financial expertise), leadership and professionalism. All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs ('IICA') towards the inclusion of their names in the data bank maintained with it and they meet the requirements of proficiency self-assessment test.

14. POLICY ON BOARD COMPOSITION & COMPENSATION

The Board of Directors has adopted a policy on director's appointment and remuneration for directors, Key Managerial Personnel and other employees including criteria for determining qualification, positive attributes, and independence of directors as laid down by the Nomination Committee of the Board in compliance with the provisions of Section 178 of the Act. The policy can be viewed at https://www.manappuram.com/public/uploads/editor-images/files/Board%20composition%202022clean.pdf and is also annexed to this report as Annexure II.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note No. 10, 20, 42 and 11 to the Standalone Financial Statement.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

Contracts/ arrangements/ transactions entered by the Company during the FY 2021-22 with related parties under Section 188 of the Act were in ordinary course of business and on arm's length basis. During the year, the Company had not entered any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR and the Company's policy on related party transactions. Therefore, particulars of contracts/ arrangements with related parties under Section 188 in Form AOC-2 is not annexed with this report.

Your Directors draw attention of the members to Note. 42 of the Standalone Financial Statement which sets out related party disclosures.

The Policy on related party transactions as approved by the Board which is annexed to this report as Annexure III may be accessed on the Company's website at the https://www.manappuram.com/public/uploads/editor-images/files/MAFL-RPT%20Policy-Revised-clean.pdf

17. DIVIDEND

Four interim dividends at the rate of 0.75 paise per equity share were declared during the financial year 2021-22, on 26.05.2021, 10.08.2021, 13.11.2021 and 14.02.2022.

An aggregate of ₹3.00 per equity share, amounting to 150 % of the paid-up value of the shares was paid by the Company during the financial year 2021-22.

The Dividend Distribution Policy as per the SEBI LODR is available at the following link: https://www.manappuram.com/public/uploads/editor-images/files/Dividend%20distribution%20policy%2014-02-2022.pdf

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

These details are provided as Annexure IV to this report.

19. RISK MANAGEMENT POLICY

The Company has a Board of Directors approved Risk Management Policy wherein material risks faced by the Company including Operational Risk, Regulatory Risk, Price, Interest Rate Risk and Credit Risk are identified and assessed. The Risk Management Committee periodically reviews the various risks faced by the Company and advises the Board on risk mitigation plans.

The Board has appointed a chief risk officer as the asset size of the Company is above ₹50 billion with a tenure of One year subject to re-appointment by the Board every financial year.

Risk Management policy may be accessed on the Company's website at the link: https://www.manappuram.com/public/uploads/editor-images/files/Risk%20Appetite%20And%20Tolerance%20policy%20And%20Framework%2014-02-2022.pdf

20. CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company have been formulated by the Board based on the recommendation of the Corporate Social Responsibility Committee (CSR Committee). The CSR Policy may be accessed on the Company's website at the link: https://www.manappuram.com/public/uploads/editor-images/files/CSR%20policy.pdf

The Corporate Social Responsibility initiatives taken by the Company during the FY 2021-22, is detailed in the Report on CSR activities which is annexed herewith marked as Annexure V.

21. FORMAL ANNUAL EVALUATION

The Board of Directors decided to appoint a third party to assist the Board in carrying out the formal evaluation of the Board pursuant to which NASDAQ Corporate solutions was appointed to assist in the evaluation process of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI LODR. As part of evaluation process questionnaire on various aspects governing the company was circulated to directors for their individual opinion through electronic mode, thereafter individual telephonic interviews with all directors were carried out as part of the evaluation process and it was ascertained that the company has maintained the highest standards of the Corporate governance and integrity in all its practices. The NRC and Board further considered the observations and has taken necessary measures to implement the suggestions.

22. DETAILS OF REMUNERATION/ COMMISSION RECEIVED BY MANAGING DIRECTOR FROM SUBSIDIARIES

Mr. V P Nandakumar, Managing Director & Chief Executive Officer has not received any remuneration or commission from any of the subsidiaries of the Company for the FY 2021-22.

23. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

No company became or ceased to be subsidiary or joint venture or associate company of Manappuram Finance Limited during the Financial Year 2021-22

24. AUDIT AND AUDITORS REPORT

MSKA & Associates and S K Patodia & Associates have been appointed as the Statutory Auditors by shareholders at the 29th AGM, to hold office up to the conclusion of 32nd AGM.

The notes annexed to the Standalone and Consolidated financial statements referred in the Independent Auditors' Reports are self- explanatory and do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report for the financial year ended 31st March, 2022

There were no frauds reported by the statutory auditors to Audit Committee or Board under Section 143 of the Act.

Secretarial Audit

The Board appointed KSR & Co. Practicing Company Secretaries LLP, to conduct Secretarial Audit for the financial year 2021-22.

Secretarial audit report for year ended on 31st March, 2022 as provided by KSR & Co. Practicing Company Secretaries LLP, Indus chambers, Ground floor, No.101, Govt Arts College Road, Coimbatore - 641018, is annexed to this Report as Annexure- VI. The report does not contain any qualification, reservation, adverse remark or disclaimer.

No Fraud has been reported by the Secretarial auditors under Section 143(14) of Companies Act 2013.

As per Regulation 24A (1) of SEBI (Listing Obligation and Disclosure Requirements) 2015 company does not have any unlisted material subsidiaries.

The reports issued by Statutory Auditor and Secretarial Auditor does not contain any qualification, reservation, adverse remark, or disclaimer.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year ended 31st March, 2022 for all applicable compliances as per the Regulation 24Aof the Listing Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by KSR & Co, Company Secretaries LLP has been submitted to the stock exchanges within 60 days of the end of the financial year.

Information systems Audit

In terms of the Master Direction on Information Technology Framework for the NBFC Sector, NBFCs are required to have an information system audit at least once in in a year. In compliance with the RBI Master Direction on the IT framework for the NBFC sector, we are doing the Information Systems Audit at least once in every year. During FY 2021, a system audit was conducted by PricewaterhouseCoopers (PwC). The areas audited were, inter alia, user access management, patch management, business continuity and disaster recovery, data protection and the information security management system framework. The audit revealed no major observations.

MAFIL has engaged Deloitte Touche Tohmatsu India LLP for conducting this audit for the FY 2022-23. The scope of the audit covers the effectiveness of the policies, IT systems, adequacy of internal controls, effectiveness of BCP and DR, compliance to legal and statutory requirements and the security testing of critical applications.

25. DIRECTORS AND KEY MANAGERIAL PERSONNEL, CHANGE, IF ANY

The Board of the Company is duly constituted. None of the directors of the Company is disqualified under the provisions of the Companies Act, 2013 or the Listing Regulations.

During the financial year 2021-22 under review, Mr. Jagdish Capoor (DIN:00002516) has tendered his resignation as Independent Non-Executive Director w.e.f 18th October 2021. The Board appreciated the guidance and contribution on various matters made by Mr. Jagdish Capoor during his tenure as a Director of the Company.

During the financial year 2021-22 under review, the Board of Directors of the Company at their meeting held on 13th November 2021 had approved the appointment of Mr. Shailesh J Mehta (DIN: 01633893), Independent Non-Executive Director as Chairperson of the Board with effect from 13th November 2021.

During the financial year 2021-22 under review, the shareholders of the Company at the 29th annual general meeting held on 10th September, 2021 had approved the appointment of Mr. S.R Balasubramanian (DIN: 03200547), as Non-Independent Non-Executive Director of the Company.

Further, in accordance with the provisions of the Companies Act, 2013 Mr. Gautam Ravi Narayan (DIN: 02971674), Director, retires by rotation and being eligible, offers himself for re-appointment at the ensuing annual general meeting. His appointment is placed for approval of the members and forms part of the notice of the 30th AGM. The information about the Director seeking his re-appointment as per Para 1.2.5 of Secretarial Standards on General Meetings and Regulation 36 (3) of Listing Regulations has been given in the notice convening the 30th AGM.

There was no change in Key Managerial Persons during the FY 2021-2022

26. INCREASE IN SHARE CAPITAL

During the year 2021-22, the Company has allotted 30,000 equity shares of ₹2.00 each pursuant to exercise of stock options. Consequently, the paid-up equity shares capital of the Company stood as on 31.03.2022 at ₹1,692.79 million consisting of 84,63,94,729 equity shares of ₹2.00 each. During the year under review, the Company has not issued shares with differential voting rights, bonus shares and sweat equity shares.

Change in Nature of Business if any

There has been no change in the nature of business during the financial year 2021-22

27. DEPOSITS

As you are aware, your Company had stopped acceptance of deposits from the public since FY 2009-10. Your Company had converted itself into a non-deposit taking Category 'B' NBFC. During FY 2021-22 the Company has not accepted deposits as per Chapter V of the Act.

The Company has no unclaimed deposit as at 31st March, 2022.

28. COMPLIANCE WITH NBFC REGULATIONS

Your Company has generally complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company.

Constitution of Statutory committees are in compliance with the corporate governance provisions as specified in the master direction issued by the Reserve Bank of India.

As on 31st March, 2022, the Capital Adequacy Ratio of the Company is 31.33%, which is well above the statutory requirement of 15%. The Company has not issued any Perpetual Debt Instruments.

29. COMPLIANCE WITH SECRETARIAL STANDARDS OF ICSI

Company has complied with Secretarial Standards-1 (SS-1) on Board meetings and Secretarial Standards-2 (SS-2) on General meetings issued by the Institute of Company Secretaries of India.

30. QUALIFICATION, ADVERSE REMARKS RESERVATIONS BY AUDITORS IF ANY

There are no Qualification, Adverse Remarks Reservations by statutory Auditors in the Independent Auditors Report and secretarial auditors in the Independent Auditors Report.

31. EMPLOYEE STOCK OPTION SCHEME (ESOS)

In order to retain the best available talent, ensure long term commitment to the Company, and encourage individual ownership, Company has instituted employee stock options plans from time to time.

Presently, the Company has Employee Stock Option Scheme 2016 ('ESOS-2016').

Disclosures in terms of 'Guidance note on accounting for employee share-based payments' issued by ICAI and diluted EPS in accordance with Indian Accounting Standard (Ind AS) 33 - Earnings Per Share are provided in note 36 of Standalone Financial Statements in this Annual Report.

Details related to stock option schemes as required under SEBI SBEB Regulations read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June, 2015 are provided in Note 37 of the Standalone Financial Statements in this Annual Report and Annexure VII of this report and are also available on Company's website at https://manappuram.com/investors/annual-reports.html

A certificate from KSR & Co. Practicing Company Secretaries LLP, Practicing Company Secretaries, confirming that ESOS 2016 has been implemented in accordance with the SEBI SBEB Regulations and that the respective resolutions passed by the Company in General Meetings would be placed in the ensuing Annual General Meeting for inspection by the members

32. DISCLOSURE

The Composition of CSR Committee and Audit Committee are detailed in the Corporate Governance Report.

33. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Vigil Mechanism of the Company provides adequate safeguards against the victimization of any directors or employees or any other person who avail the mechanism and also provides direct access through an e-mail, or dedicated telephone line or a letter to the Chairperson and a Member of the Audit Committee.

No person has been denied access to the Chairman and a Member of the audit committee. Company has ensured that its employees are aware of the content and procedure of the policy and fully protected. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at the link: https://www.manappuram.com/public/uploads/editor-images/files/whistle%20blower%20policy%202022.pdf

No complaints were reported during the FY 2021-22.

34. EXTRACT OF ANNUAL RETURN

Annual return in Form-MGT-07 has been posted in the website the link of the same is mentioned below for reference https://www.manappuram.com/investors/annual-reports.html

35. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

Your Company has put in place, well defined and adequate Internal Control System, and Internal Financial Control (IFC) mechanism commensurate with size, scale, and complexity of its operations to ensure control of entire business and assets. The internal audit policy has been upgraded as Risk Based Internal Audit Policy based on the RBI Circular - RBI/2020-21/88 (Ref. No. DoS. CO. PPG. / SEC.05/11.01.005/2020-21) dated 3rd February 2021 and functioning of internal audit is also realigned as per the policy. The functioning of controls is regularly monitored to ensure their efficiency in mitigating risks. A comprehensive internal audit department functions in house to continuously audit and report gaps if any, in the diverse business verticals and statutory compliances applicable.

During the year, Internal Financial Controls were reviewed periodically by the management and Audit Committee. Key areas were subject to various statutory and internal audits in order to review the adequacy and strength of IFC followed by the Company. As per the assessment, Controls are strong and there are no major concerns. The internal financial controls are adequate and operating effectively to ensure orderly and efficient conduct of business operations.

Your Company has an independent internal audit function which carries out regular internal audits to test the design, operations, adequacy, and effectiveness of its internal control processes and also to suggest improvements to the management. Board also proposed to appoint Deloitte, to provide co-sourced internal audit services to assist management of the company in the appraisal of its internal control functions, recommend improvements in processes and procedures and surface significant observations and recommendations for process improvements. Their observations along with management response are periodically reviewed by Audit Committee and Board and necessary actions are taken.

36. LISTING WITH STOCK EXCHANGES

Your Company confirms that it has paid the Annual Listing Fees for the financial year 2021-22 to BSE and National Stock Exchange (NSE) where the Company's shares are listed.

37. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

During the year under review, there were (9) nine complaints filed with the Internal Complaints Committee of the Company, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same were investigated and resolved. No complaints were pending more than 90 days during FY 2021-22.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

38. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Act, SEBI LODR and Indian Accounting Standard (IndAS) 27 on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

39. CREDIT RATING

Your Company holds valid credit rating from Brickwork, CRISIL and CARE for Non-Convertible Debentures, Short Term and Long-Term Bank Facilities and Commercial Paper as follows:

a. CRISIL rated Long Term Bank Loan Facilities amounting to ₹43,200 million as CRISIL AA/ Stable.

b. CRISIL rated Short Term Bank Loan Facilities amounting to ₹6,800 million as CRISIL A1+.

c. CRISIL rated Non-Convertible Debentures amounting to ₹26,750 million as CRISIL AA/ Stable.

d. CRISIL rated Commercial Paper of ₹40,000 million as CRISIL A1+

e. CRISIL rated Market Linked Debenture of ₹5,000 million as CRISIL PP - MLD AA r/ Stable

f. CRISIL rated PCG DA Nov 2019 of ₹1,000 million as CRISIL AA (SO)

g. CARE rated Bank Loan Facilities for Long-Term amounting to ₹49,270 million as CARE AA (Stable) (Double A; Stable)

h. CARE rated Bank Loan Facilities for Short-Term amounting to ₹40,730 million as CARE A1+ (A One Plus)

i. CARE rated Non-Convertible Debentures amounting to ₹19,805.8 million as CARE as AA (Stable)

j. CARE rated Commercial Paper of ₹40,000 million as CARE A1+ (A1 Plus)

k. Brickwork rated Non-Convertible Debentures amounting to ₹10,030 million as BWR AA+ (Stable)

l. Brickwork rated Bank Loan facilities amounting to ₹70,000 million as BWR AA+ (Stable)

m. S&P rated US$750 million EMTN Programme and Senior Secured Notes as BB-/ Stable and Short Term as B

n. Fitch rated US $ 750 million EMTN Programme and Senior Secured Notes as BB-/ Stable

40. DETAILS OF AUCTIONS HELD DURING THE YEAR 2021-22

Additional disclosures as required by RBI NDSI Master Directions, 2016:

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A) (₹ in million)	Interest Amount outstanding at the dates of auctions (B) (₹ in million)	Total (A+B) (₹ in million)	Value fetched (₹ in million)
31-03-2021	74553	4122.48	696.92	4819.40	4602.17
31-03-2022	813792	36151.34	8655.91	44807.25	41865.87

Note: No sister concern participated in the auctions during the year ended on 31st March, 2021 and 31st March, 2022.

41. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

Particulars of employees and related disclosures are annexed herewith as Annexure VIII as per Section 197 of the Act.

42. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant/ material orders passed by the regulators or courts or tribunals during the financial year 2021-22, impacting the going concern status and Company's operations in future.

43 CERTIFICATE ON CORPORATE GOVERNANCE

Certificate provided by KSR & Co., Practicing Company Secretaries LLP, Indus Chambers, Ground Floor, No. 101, Govt. Arts College Road, Coimbatore - 641018 towards compliance of the provisions of Corporate Governance, forms an integral part of this Report and is given as Annexure - IX

44. MATERIAL EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the FY 2021-22 and the date of this report.

45. MAINTENANCE OF COST RECORDS

The Company is an NBFC, and hence the requirement under sub-section (1) of section 148 of the Companies Act, 2013 w.r.t Maintenance of cost records is not applicable.

46. ACKNOWLEDGEMENT

Your Directors express sincere appreciation and gratitude to the employees of the Company at all levels for their dedicated service and commitments, to the Reserve Bank of India, Rating Agencies, Stock Exchanges, Debenture Trustees, RTA's, Depositories, Central and State Governments and its statutory bodies for the support, guidance, and co-operation. Your directors wish to thank the Customers, Investors, Shareholders, Debenture holders, Bankers, Auditors, Scrutinizer and other financial institutions and other stakeholders for the wholehearted support and confidence reposed on the Company.

Place: Valapad
Date: 18.05.2022

For and on behalf of the Board of Directors
Sd/-
Shailesh. J. Mehta
DIN: 01633893

ANNEXURE I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
					₹ Million										
1	Asirvad Micro Finance Limited	2014-15	-	-	533.12	10187.41	68136.79	68136.79	1071.35	13557.00	186.14	51.81	134.32	-	97.51

PART - B

Financial Performance highlights of ASIRVAD MICRO FINANCE LIMITED

₹ million

Sl. No.	Particulars	Financial Year Ended on March 31, 2022	Financial Year Ended on March 31, 2021
1	Gross Income	139,97.00	10,771.84
2	Less: Total Expenditure	138,10.86	10,465.03
3	Profit Before Tax	186.14	306.80
4	Profit after Tax	134.32	168.81
5	Total Comprehensive Income	167.71	159.88

The operational highlights of the Company are as follows:

During the year, the company had its operations in 25 States & UTs. There are 23 branches for MSME vertical. Company opened 305 branches for their foray into Gold Loans.

Gross Loan Portfolio was at ₹70,021.83 million

Head Count of 12581 employees.

Client base had increased to 2.57 million across 1526 branches in 25 states/ UTs (from 2.41 million across 1,064 branches in 24 states) in respect of micro finance loans.

Total disbursements during the year was at ₹85571.34 million.

Asirvad Micro Finance Limited has ensured compliance to all guidelines stipulated by Reserve Bank of India for the Microfinance Industry.

CARE has maintained the grading of the Company to "MFI 1", the highest in the industry. The bank loan rating is also re-affirmed as CRISIL AA-/Stable outlook By CRISIL

The Company has debt credit ratings as follows:

Credit Rating Agency	Instrument	Rating
CRISIL	Bank Loan	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Long term -NCD	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Long term subdebt	CRISIL AA-/Stable outlook (Reaffirmed)

Credit Rating Agency	Instrument	Rating
Brick work	Long term -NCD	BWR AA-/stable

Credit Rating Agency	Instrument	Rating
CARE	Long term -NCD	CARE A+/stable

The Capital Adequacy Ratio was 20.8 % as on 31st March, 2022 as against the minimum capital adequacy requirement of 15% stipulated for NBFC MFIs by Reserve Bank of India.

Total Income of the Company as at 31st March, 2022 is ₹139,97.00 million. Profit After Tax as at 31st March, 2022 is ₹134.324 million.

Assets Under Management (AUM) of the Company as at 31st March, 2022 is ₹70,021.83 million.

ANNEXURE I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
					₹ Million										
1	Manappuram Home Finance	12 March 2014	NA	NA	2000	169.73	8651.47	8651.47	-	1226.07	99.09	26.97	72.11	-	100

PART - B

Financial Performance highlights of MANAPPURAM HOME FINANCE LIMITED

₹ million

Sl. No.	Particulars	Financial Year Ended on March 31, 2022	Financial Year Ended on March 31, 2021
1	Gross Income	1226.07	971.31
2	Less: Total Expenditure	1126.98	834.30
3	Profit Before Tax	99.09	137.01
4	Profit after Tax	72.11	102.89
5	Total Comprehensive Income	72.79	159.88

Manappuram Home Finance Limited started its operations in the month of January 2015 to the states of Maharashtra and Tamil Nadu by commencing 4 branches.

The Company has 13719 Loan Accounts as on 31st March, 2022. Gross Loan Portfolio stood at ₹8452.69 million. Total disbursement during the year 2021-22 was ₹3000.01 million.

Company has also ensured compliance to all the guidelines stipulated by the National Housing Bank for the Affordable housing finance industry. The Company had total staff strength of 832 Employees as at 31st March, 2022.

Ratings assigned by credit rating agencies and migration of ratings during the year.

Credit Rating Agency	Type of Facility	Rating
Brickwork	Fund based term loan & Cash credit	BWR AA – Stable
CARE	Long term bank loan	CARE AA – stable
CRISIL	Commercial Paper & Long - term bank facilities	CRISIL Long Term Bank Facilities- AA – Stable Commercial Paper- A1+

ANNEXURE I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
					₹ Million										
1	Manappuram Insurance Brokers	01/01/2016	-	-	15.70	66.09	111.69	29.9	69.72	109.14	45.29	11.99	33.31	50.24	100

PART - B

Financial Performance highlights of MANAPPURAM INSURANCE BROKERS LIMITED

₹ million

Sl. No.	Particulars	Financial Year Ended on March 31, 2022	Financial Year Ended on March 31, 2021
1	Gross Income	113.26	99.00
2	Less: Total Expenditure	67.96	59.80
3	Profit Before Tax	45.29	39.20
5	Profit after Tax	33.31	29.03

The Net Worth of the Company as on 31st March 2022 stood at ₹81.78 millions against Net Worth of 49.74 millions as on 31st March 2021. The revenue from operations of the Company during the F.Y. ended 31st March 2022 increased compared to the previous financial year. Revenue stood at ₹109.14 millions, which is 18% higher compared to revenue of ₹92.49 millions as of previous financial year 2020-21. Total Expense of the Company increased by 13 % from ₹59.80 millions as on 31st March 2010 to 67.96 millions on 31st March 2022. There was an increase in profit after tax by 15% from ₹29.03 millions as at the year ended 31st March 2021 to ₹33.30 millions as at the year ended 31st March 2022.

ANNEXURE I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 - Form No. AOC - 1)

PART - A

Sl. No.	Name of the subsidiary	Date of becoming subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
					₹ Million										
1	Manappuram Comptech and Consultants Limited	30th March 2019		INR	52.70	68.46	266.36	266.36	0.05	304.21	18.25	6.66	13.27	Nil	99.81

PART - B

Financial Performance highlights of MANAPPURAM COMPTECH AND CONSULTANTS LIMITED

Sl. No.	Particulars	Financial Year Ended on March 31, 2022	Financial Year Ended on March 31, 2021
1	Gross Income	307.07	227.28
2	Less: Total Expenditure	288.83	184.57
3	Profit Before Tax	18.25	42.71
5	Profit after Tax	13.27	31.46

The Company generated total revenue of ₹304.21 million from its activities in the financial year ended on 31.03.2022, compared to ₹224.82 million in the financial year ended on 31.03.2021.

Total other income was ₹2.86 million, up from ₹2.46 million in the fiscal year that ended on March 31, 2021.

The Company's gross income for the year ended March 31, 2022 was ₹307.07 million, up from ₹227.28 million the previous year, and its profit for the year ended March 31, 2022 was ₹18.25 million, down from ₹42.71 million the previous year.

After adjusting for taxes, the profit for the year was 13.27 million, compared to 31.46 million in the previous financial year.

ANNEXURE II

POLICY ON BOARD COMPOSITION AND COMPENSATION
(Last reviewed by the board on 18th May 2022)

We, at Manappuram, believe that the corner stone of best governance practices is the board composition. We also believe that the synergy of versatile individuals with diversified skillsets at the board level has contributed a lot in bringing this Company into its present heights. Therefore, our commitment to have a competent and highly professional team of board members leads us to put in place a policy on identification and retention of eminent personalities as our Board members. In line with the statutory requirement under sections 149 and 178 of the Companies Act, 2013 , the provisions of Listing Obligations & Disclosure Requirements Regulations, 2015 (LODR) and the regulatory frame work for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India (RBI) the following policies are adopted for the time being to act as the guiding principles in the appointment of Directors and the matters connected therewith.

I) Definitions

Unless the context otherwise requires, the following words and expressions shall have the meaning provided herein:

i. **Board** - means the collective body of Directors of the Company

ii. **Committee** - means the committees of Directors constituted by the Board

iii. **Director** - means a Director appointed on the board of the Company

iv. **Fit and proper** - means the fit and proper criteria prescribed the Reserve Bank of India as an eligibility requirement to be satisfied by an individual to be appointed as a Director of the Company.

v. **Independent Director**- means an Independent Director referred to in 2(47) of the Companies Act, 2013 and read with Regulation 16(1)(b) of LODR.

Provided that an individual shall be eligible to be appointed as an Independent Director only if his/her name is included in the databank specified in Section 150 of the Companies Act 2013

vi. **Nomination Committee**- means the Nomination Compensation and Corporate Governance Committee of the Board.

II) Policy statements:

1. Board Diversity

1.1 The board of Directors of the Company should have a fair combination of executive and non-executive Directors with not less than 50 percent being Non Executive Directors.

The Company shall maintain the strength of Independent Directors on its board keeping in mind the regulatory requirements and guidelines on Corporate Governance as per the LODR with the stock exchanges issued from time to time. The ratio of Independent Directors as per the present requirement is one third of the total strength of the board where the board is headed by a Non-Executive chairman and at least half of the Board's strength in case the board is not headed by a regular non-executive Chairman.

1.2 The Board shall have at least one Women Independent Director.

1.3 The Independent Director to be appointed on the board shall not hold Directorships in more than 7 listed companies.

1.4 The vacancy caused by the demitting of office by an Independent Director in any manner shall be filled within a period of 3 months. However, this requirement will not be applicable in cases where the vacancy will not affect the minimum required strength of Independent Directors set under this policy or as per the statutory provisions/ regulatory requirements.

1.5 The Company shall appoint Directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the Company. The desired diversity may be fixed by the Nomination committee based on the nature of business of the Company from time to time. The diversity of the total board may include the following;

Expertise in;

i. Banking, Finance, Accountancy, Taxation

ii. Governance, Regulatory background, Law and practice

iii. Management, Administration (including Civil Service)

iv. Engineering, Human resource, Subject of social relevance

v. IT, Marketing

1.6 On selection of an Independent Director, the Chairman of the Board/ Managing Director shall issue a letter of appointment to the Director and he shall also sign a deed of covenants in such format as may be prescribed by RBI.

1.7 Considering the need for professional experience in managing the affairs of Company, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC.

Notwithstanding anything contained in the above clauses, composition of the Board should always adhere to following guidelines:

i. Board members are competent to manage the affairs of the company.

ii. The composition of the Board has mix of educational qualification and experience within the Board.

iii. Specific expertise of Board members should be a prerequisite depending on the type of business pursued by the Company.

2. Familiarization & Skill enhancement program for Directors

2.1 The Board may on the recommendation of the Nomination committee devise a familiarization program for Directors so as to give a fair understanding about the Company, its business and the general industry environment in which the Company and its subsidiaries are operating. This may be arranged by way of interactive sessions with Chairman of the Board, senior Directors, Managing Director and other Key management personnel of the Company. In addition, board may put in place an induction manual for Directors as it may deem fit.

2.2 A newly appointed Non-Executive Director may be given the opportunity to familiarize with the Company.

2.3 In addition to the familiarization program, the board may, if it thinks so, organize director's skill refreshment programs or workshop on topic relevant to the Directors/ Company or nominate to programs organized by industry associations or professional bodies.

3. Assessment of independence & Fit and proper criteria.

3.1 While considering the appointment of an Independent Director, the Nomination committee and the board shall ensure that the incumbent satisfies the test of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) 2015.

The board shall on a continuous basis ensure that the Independent Directors continue to maintain their independence during their tenure on the board.

3.2 To achieve the above objectives, the board may obtain proper declarations from the appointee/ Directors at the time of appointment and at such intervals as the board may deem fit.

3.3 In case of appointment of executive Directors, non-executive Directors or Independent Directors, the Nomination committee and the board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India from time to time and maintains the position during their tenure in office. The Company shall obtain the declarations in the manner prescribed by RBI as applicable to the Company from time to time from all appointees and review the same.

3.4 An independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board of the Company shall ensure that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time.

3.5 If any director intends to associate with any other NBFC with similar business profile (particularly gold loan business), he/she shall immediately intimate to the board of his/her intention of making such association so that Board has reasonable time to assess his/her conflict of interest on attaining such association

4. Age and tenure of Independent and non-executive Directors.

4.1 The Independent Directors appointed in the Company will have a tenure of 5 years. They can be re-appointed for another term of 5 years in compliance with the applicable provisions of the Companies Act,2013

4.2 The Company shall select persons normally with the maximum age of 75 years and the minimum age as prescribed by the provisions of Companies Act, 2013, LODR and direction/guideline from RBI from time to time, for new appointments to the position of Independent Directors and non-executive Directors. No listed entity shall appoint a person or continue the Director ship of any person as a non-executive Director who have attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

5. Review of performance of Independent Directors

5.1 The Nomination committee and the board shall put in place a mechanism for the review of performance of each Independent Director and other non-Executive Directors.

5.2 The review of performance shall be undertaken once in a financial year preferably before the next Annual General Meeting.

5.3 Based on the review of performance, the Nomination and Remuneration committee may recommend for the continuance, re- appointment or removal of Directors.

6. Compensation of Executive and Non-Executive Directors.

6.1 On the recommendation of the Nomination Committee, the board will fix the remuneration of Non-Executive Directors (including Independent Directors).

The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.

6.2 The Non-Executive Directors other than nominee Directors shall be entitled for sitting fees for attending board/ committee meetings at such rate as may be approved by the board from time to time.

6.3 In addition to the sitting fees, the Company will bear or reimburse the normal travelling, boarding and lodging expenses of Directors incurred for the purpose of attending board/ committee meetings or for attending any other duties on behalf of the Company.

6.4 Subject to the compliance with the provisions of Companies Act, 2013, the board may on the recommendation of the Nomination committee after taking into account the profitability of the Company for each financial year approve the payment of an annual commission payable to each non-executive (other than nominee Directors) / Independent Directors of the Company for each financial year or part thereof.

6.5 Where a Director has left the Company before the completion of a financial year or before approving the payment of commission by the board, the board may in its absolute discretion sanction such amount as commission to such Director for his services during the period for which the commission was fixed.

6.6 Remuneration of executive Directors shall be fixed by the Board on the basis of recommendation of the Nomination committee. The remuneration of the executive Directors shall be a combination of fixed monthly salary in terms of their appointment as approved by the board/ shareholders, as required, and a performance based annual commission to be decided by the board on the recommendation of the Nomination committee.

The fees or compensation payable to executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive Director exceeds rupees 5 crore or 2.5% of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such Director.

Explanation: For the purposes of this clause, net profits shall be calculated as per section 198 of the Companies Act, 2013

6.7 The performance parameters to be applicable to the executive Directors, the minimum and maximum amount of commission payable in line with the achievement of various targets/ parameters will be decided by the Nomination committee from time to time.

7. Succession planning for appointment to board and senior management positions.

7.1 The board may identify suitable persons to be appointed to the board positions for filling up vacancies.

7.2 The vacancies caused by the exit of an Independent Director may be filled by the appointment of an Independent Director. However, if the vacancy does not affect the strength of minimum required Independent

Directors, the board may or may not fill the vacancy as it may deem fit.

7.3 Suitable candidates may be identified by the Directors from reputable references or from data banks maintained by industry associations, professional bodies or nongovernmental organizations or by inviting applications through any media.

7.4 Vacancies in senior positions in the Company may be filled by a system of promotion of existing employees based on appropriate screening procedures set by the Nomination committee from time to time.

7.5 Company may identify critical positions and shall devise a system of proper mentoring to identify officers of the Company to take up the senior positions wherever a vacancy is caused to ensure the business continuity in the best interest of the Company.

8. Compensation plan for Key Management personnel (KMPS) and other senior management team members

8.1 The compensation structure of KMPs and senior team members shall consist of fixed salary components (including variable dearness allowances) at par with the industrial standards and a performance linked incentive/ bonus payment to be approved by the Nomination committee.

8.2 The compensations structure shall be devised in a manner that will help the Company to attract and retain top talents to run the Company efficiently with a long term perspective.

8.3 The compensation structure may also include stock options targeting employee participation in ownership of the Company and to ensure the retention of potential talents for the future growth and diversity of the Company.

III) Applicability of Laws/ regulations/ guidelines

Change in underlying laws/ regulations or guidelines may supersede the provisions of this policy. At any time if there is any amendment to the applicable laws or regulations or guidelines affecting the provisions of this policy, the policy shall be deemed as amended to the extend applicable and the amended provisions will take effect from the date of Change in the underlying laws/ regulations or guidelines.

IV) Applicability of the policy

The policy shall become effective from the date on which it is approved by the board.

V) Amendment to the policy.

The provisions of this policy may be amended by the board at any time on the recommendation of the Nomination committee.

ANNEXURE III

POLICY ON DETERMINATION OF RELATED PARTIES AND DEALING WITH RELATED PARTY TRANSACTIONS ("RPT POLICY")

(Incorporating amendments upto 17th March 2022)

I. INTRODUCTION:

Manappuram Finance Ltd ("the Company" or "MAFIL") affirms good standard of governance practices and conducts its business in a fair and transparent manner duly complying with the applicable laws as in force. The Company is putting its best efforts consistently to enhance stakeholders long term value without compromising the corporate philosophy, ethics and standard of governance practices.

The Board of Directors (the "Board") of the Company has adopted this Policy on determination of Related Parties and Dealing with Related Party Transactions ("RPT") upon the recommendation of the Audit Committee and this Policy includes the materiality threshold in compliance with the provisions of Regulation 23 of SEBI and (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015) and such other provisions as amended from time to time. Through this policy, the Company endeavors to bring in more transparency in management in respect of transactions with related parties. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

Manappuram Finance Limited considering the nature of Related party transactions has annexed an addendum which shall form as Annexure 1 to this policy. Further, the policy has been enhanced to cover related parties and related party transactions as per the wider definitions specified under Ind AS

II. APPLICABILITY:

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions.

III. OBJECTIVE:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties and also RPTs undertaken by its subsidiaries in compliance with the applicable laws and regulations as may be amended from time to time. It is essential to keep a stringent check on RPTs which may present a potential or actual conflict of interest and may act against the best interest of the Company and its shareholders.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

IV. DEFINITIONS:

"Audit Committee" or "the Committee" means the committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013;

"Board" means Board of Directors of the Company;

"Key Managerial Personnel" "KMP" means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 For the purpose of this policy definition of KMP as per Ind AS 24 will also be applicable[1].

"Material Related Party Transactions" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company or ₹1,000 Crores, whichever is less;[2]

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

---

[1] *[Definition of Key Managerial Personnel as per Ind AS 24*

__Key management personnel__ are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive orotherwise) of that entity.]

[2] *[(Definition of Turnover as per Section 2(91) of the Companies Act 2013)*

"Turnover" means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year.]

"Revenue from Operations" is considered as Turnover of the Company.

"Related Party" means related party as defined under Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 or under Ind AS 24[3] and

i Any person or entity forming part of the promoter or promoter group of the Company;

ii. Any person or entity holding equity shares of 20% or more, (10% or more with effect from 01st April, 2023) in the Company, either directly or indirectly or on a beneficial interest basis (as per Section 89 of the Act) at any time during the immediate preceding financial year.

"Related Party Transaction" a means related party transaction as defined under Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015;

"Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

All other words and expressions used but not defined in this policy, but defined in the addendum to the policy. Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, and SEBI (LODR) Regulations, 2015 and Ind AS 24 shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

V. POLICY:

All Related Party Transactions shall require prior approval of the Audit Committee comprising of a quorum of only Independent Directors being members of the said Committee approving the same. Such approval shall be only at a meeting of the Audit Committee and not by circulation.

All proposed Related Party Transactions and subsequent material modification of such Related Party Transaction must be presented before the Audit Committee for prior approval by the Independent Directors of the Committee.

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant omnibus approval.

The term omnibus approval has been defined in the addendum to the policy the criteria followed in granting omnibus approval is enumerated in point 09 of the addendum

VI. TRANSACTIONS THAT ARE CONSIDERED AS RELATED PARTY TRANSACTIONS:

Following types of the transactions considered as related party as per section 188 of Companies Act 2013:

(a) Sale, purchase or supply of any goods or materials;

(b) Selling or otherwise disposing of, or buying, property of any kind;

(c) Leasing of property of any kind;

(d) Availing or rendering of any services;

(e) Appointment of any agent for purchase or sale of goods, materials, services or property;

(f) Such related party's appointment to any office or place of profit or a Key Managerial Personnel in the company, its subsidiary company or associate company; and

(g) Underwriting the subscription of any securities or derivatives thereof, of the company.

---

[3] *[Definition of related party as per Ind AS 24*

Related party: *is a person or entity that is related to the entity that is preparing its financial statements.*

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- *(i) has control or joint control of the reporting entity;*
- *(ii) has significant influence over the reporting entity; or*
- *(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*

(b) An entity is related to a reporting entity if any of the following conditions applies:

- *(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);*
- *(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);*
- *(iii) Both entities are joint ventures of the same third party;*
- *(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;*
- *(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;*
- *(vi) The entity is controlled or jointly controlled by a person identified in (a);*
- *(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the (or of a parent of the entity).*
- *(viii) The entity, or any member of a group of which it is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity.*

For the purpose of this definition an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture]

Types of the transactions considered as related party transaction as per Reg. 2(1)(zc) of SEBI(LODR) Regulations, 2015

a) A transaction involving a transfer of resources, services or obligations between

   (i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand

   (ii) A listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries with effect from April 01 2023

Regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or group of transactions in a contract.

As per and IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015 following are examples of transactions that are disclosed if they are with a related party:

(a) Purchases or sales of goods (finished or unfinished);

(b) Purchases or sales of property and other assets;

(c) Rendering or receiving of services;

(d) Leases;

(e) Transfer of research and development;

(f) Transfer under license agreements;

(g) Transfer under finance arrangements (including loans and equity contribution in cash or in kind);

(h) Provision of Guarantees and Collaterals;

(i) Commitments to do something if a particular event occurs or not occur in the future, including executory contracts (recognized and unrecognized)

(j) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party;

(k) Management contracts including for deputation of employees.

Parties are considered to be related under IND AS 24, if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a company if that person:

   a. has control or joint control or significant influence over the Company; or

   b. is a key management personnel of the Company or of a parent of the Company; or

2. An entity is related to a company if any of the following conditions applies:

   a. The entity is a related party under Section 2(76) of the Companies Act,2013;or

   b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or

   c. Both entities are joint ventures of the same third party; or

   d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or

   e. The entity is controlled or jointly controlled by a person identified in (1); or

   f. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity);

VII. TRANSACTIONS THAT ARE NOT CONSIDERED AS RELATED PARTY TRANSACTIONS:

The following transactions are not considered as Related Party Transactions

a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

b) The Corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding

   (i) Payment of dividend;

   (ii) Subdivision or consolidation of securities;

   (iii) Issuance of securities by way of a rights issue or a bonus issue; and

   (iv) Buy-back of securities

VII. IDENTIFICATION OF RELATED PARTIES AND INTERESTED DIRECTOR WITH RESPECT TO TRANSACTIONS:

Every Director will be responsible for providing a declaration in the format as per **Form RPT** containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;

2. Partnership firms in which he / she or his / her Relative is a partner;

3. Private Companies in which he / she or his / her Relative is a member or Director;

4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital as at the end of immediate preceding financial year;

5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions (other than advice, directions or instructions obtained from a person in professional capacity);

6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity); and

7. Body Corporate or any Association of Individuals in which he / she or his / her Relative is a Director or owner or Partner or Promoter or Manager or Chief Executive Officer of Body Corporate or Member of the Association of Individuals.

Every Key Managerial Personnel other than a director will also be required to provide the Names of his / her Relatives in the format as per **Schedule to Form RPT** on an annual basis.

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately upon him / her becoming aware of such changes.

VIII. TRANSACTIONS AND FACTORS FOR CONSIDERATION BY THE COMMITTEE IN APPROVING AND RECOMMENDING THE PROPOSED RELATED PARTY TRANSACTIONS FOR APPROVAL BY THE BOARD :

Transactions that require prior approval of Audit Committee

a) All Related Party Transactions and subsequent material modifications to such Related Party Transactions;

b) Related Party Transactions to which subsidiary of MAFIL is a party but MAFIL is not a party shall require prior approval of Audit committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of MAFIL;

c) With effect from April 1, 2023 Related Party Transactions to which subsidiary of MAFIL is a party but MAFIL is not a party shall require prior approval of Audit committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover as per the last audited financial statements of the Subsidiary.

Material Modification

Any material modification to the terms approved by the Audit Committee for the Related Party Transactions will require its prior approval. The following terms shall be considered as material terms in respect of every Related Party Transaction, except financial transactions:

a. Subsitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.

b. Nature of goods or services

c. Total value of the Related Party Transaction

d. Period approved for Related Party Transaction

e. Miscellaneous terms such as advance payable, warranty terms, credit period, interest payable on default in payment.

In respect of financial transactions like providing of loan, inter-corporate deposit:

a. Subsitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.

b. Quantum of loan or inter-corporate deposit.

c. Interest related terms including interest holiday, if any, security terms, if any

d. Period

e. Repayment terms

Information to be placed before Audit Committee:

The following information shall be placed before the Audit Committee of the Board of Directors to enable the independent directors who are members of the Audit Committee to consider and decide on the approval in respect of Related Party Transactions:

a. Type, material terms and particulars of the proposed transaction;

b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);

c. Tenure of the proposed transaction (particular tenure shall be specified);

d. Value of the proposed transaction;

e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);

f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:

i) Details of the source of funds in connection with the proposed transaction;

ii) Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,

- nature of indebtedness;
- cost of funds; and
- tenure;

iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transactions.

g. Justification as to why the Related Party Transaction is in the interest of the Company;

h. A copy of the valuation or other external party report, if any such report has been relied upon;

i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction, on a voluntary basis;

j. Methodology used for determination of arms-length

j. Any other information that may be relevant

The Audit Committee of the Board shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

Factors to be considered by the Audit Committee

While considering any related party transaction, the Committee shall also take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters as specified in the relevant applicable circulars issued by SEBI from time to time

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;

b. Whether the transaction could be material or significant by value;

c. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;

d. Whether the Related Party Transaction includes any potential reputational risks or misuse of corporate assets that may arise as a result of or in connection with the proposed Transaction; and

e. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

f. While considering the arm's length nature of the transaction, the Committee may take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

g. The transactions specified from point 1 to 8 of addendum shall be considered for approval after consideration of the information placed before the Committee and also the factors mentioned above is applied to each particular transaction mentioned in the addendum annexed to the policy

Notwithstanding what is stated above, it is the stated policy of the Company to make a determined effort to reduce unavoidable RPT's other than those necessitated by the Company's location in a semi-rural area

Omnibus Approval

For granting omnibus approval, the committee shall specify the following details:

a. Name of the related party;

b. Nature of the transaction;

c. Period of the transaction;

d. Maximum amount of the transactions that can be entered into;

e. Indicative base price / current contracted price and formula for variation in price, if any;

f. Justification for the omnibus approval.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved.

The Audit Committee shall, review quarterly and take note of all Related Party Transactions for which omnibus approval has been granted by the Audit Committee.

The omnibus approval shall be valid for a period of one financial year however subject to quarterly review and fresh approval shall be obtained after the expiry of one year.

IX. APPROVAL BY THE BOARD:

If the Committee determines that a Related Party Transaction should be brought before the Board or a Related Party Transaction is not in the Ordinary Course of Business or not at Arms' Length or is a material related party transaction or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting.

The Board shall take note of all transactions approved by the Audit committee except for transactions referred to in point 4 & 6 of the addendum were the same shall be approved by the Board.

Transactions involving material cost savings shall be decided by the board as referred to in point 2 of the footnote of addendum.

X. APPROVAL BY SHAREHOLDERS

The Board of Directors of the Company shall mandatorily place before the members of the Company, all Material RPTs and subsequent material modifications to existing RPT for their approval prior to undertaking such transactions.

Except with the prior approval of the Shareholders by a resolution, a company shall not enter into any RPTs as mandated under Section 188 of Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, material related party transactions and/or subsequent material modifications to related party transactions as stipulated in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

In all cases, where shareholders' approval is necessary for any RPT, the Company Secretary shall ensure that the agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

a. All the information provided by the management of the Company to the Audit Committee;

b. Any other information that may be relevant.

The Company Secretary shall ensure that the explanatory statement to be annexed to the notice of a general meeting convened for obtaining approval of members in relation to the proposed RPTs shall contain the following particulars:

a. Summary of the information provided by the management of the Company to the Audit Committee;

b. Justification for why the proposed transaction is in the interest of the Company;

c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details placed before the Audit Committee except the information on source of funds and cost of funds.

d. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;

e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;

f. Any other information that may be relevant.

The Board shall be ultimately responsible for seeking approvals from shareholders as per the requirements of Applicable Laws which may vary from time to time.

XI. DISCLOSURE, RECORDING AND REPORTING OF RELATED PARTY TRANSACTIONS:

a. Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.

b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013.

c. Company shall submit along with publication of half yearly financial results, Standalone or Consolidated as may be applicable, disclosures of all RPTs, in the format specified by SEBI to the stock exchanges and publish the same on its website.

d. The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

XII. DISSEMINATION OF POLICY:

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

XIII. POLICY REVIEW:

Board shall review the overall policy once in three years and modify or update the same in accordance with the changes to the threshold limits or as may be required by the amendments to Applicable Laws.

ANNEXURE-01

ADDENDUM TO THE RELATED PARTY TRANSACTIONS (RPTS)

Background

Board in its meeting held on 7 May 2021 reviewed the Related party transactions. Accordingly, as directed by the Board the Management has decided to revisit some of the aspects of the RPTs and provide a guidance for all transactions falling within the RPTs. Accordingly, the following guidance has been put in place.

This addendum forms an integral part of the existing RPT policy and to be read and understood in conjunction with the same.

Objective:

The objective of putting in place this addendum is to reduce the number of RPTs to the extent possible. However, given that MAFIL is headquartered in a village and that vendors and counter parties of quality and capability may not be readily available around the area, the Management recognises that it may be difficult to reduce the number of transactions significantly.

The related party transactions shall be governed by the following principles.

Definitions:

Ordinary Course of Business (OCB): Any transaction entered into ordinary course of business or transactions

Arm's Length Transaction (ALB): Arm's Length Transaction" means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest

Omnibus Related Party Transactions: Criteria for granting omnibus approvals:

- Repetitiveness of the transactions (in past and future) during the ordinary course of business.
- Transactions which are at arm's length
- Justification for the need of omnibus approval.
- In the best interest of the company.
- Validity for one year.

Sl. No	Type of transactions	Conditions
1	All transactions (other than capital contribution and loans and advances) with wholly owned subsidiaries	Subject to satisfaction of Arm's length conditions in terms of engagement and commercials.
2	Investments in subsidiaries	Generally investment in Tier I and Tier II capital of the subsidiaries shall be to the extent of maintaining optimum CRAR to be maintained by them as decided by the Boards of MAFIL and Subsidiaries. The valuation parameters or underlying yields of these instruments shall be on Arm's length basis
3	Loans and advances to subsidiaries and associate companies.	Subject to satisfaction of Arm's length conditions. The general policy of the Company however is to try and make each operation self-standing and inter-company transactions will be resorted to in cases of extreme need
4	Transactions that are necessitated by virtue of lack of alternative vendors with appropriate technical credentials, especially as it relates to Valapad:	Such RPTs to be evaluated on a case-by-case basis. Subject to the Board's determination through reasonable means that such RPTs are in the broader interest of the Company and are on arms-length basis, they would be permitted
5	Transactions with Trade associations, Apex Association of Trade Associations, Self-Regulatory Organizations (SROs), Section 25 or Section 8 (not for profit) companies, well reputed charitable institutions where Directors, KMPs may have memberships or hold positions of responsibility: Permitted.	Subject to the condition that such transactions to be in the nature of subscriptions, other voluntary contributions for the benefit of the members of the organisation or the community (subject to the transactions falling under definition of related party as per IND AS 24).

Sl. No	Type of transactions	Conditions
6	Related party Transactions where there is substantial cost saving by contracting with related parties: Board will scrutinize such transactions closely, and may allow them subject to cost savings being material and arms-length test being met	Permitted subject to approval by the Board after close scrutiny of such transactions, and may allow them subject to cost savings being material and arms-length test being met.
7	Related party Transactions with social objectives such as community Health, Education etc	Allowed subject to specific approval by the Audit committee subject to such transactions being non-commercial in nature or relating to CSR projects of the Company
8	Other Related Party Transactions that do not fall within the above categories.	Generally disallowed, unless the Audit committee determines otherwise for reasons that are in the interest of MAFIL and its stakeholders
9	Omnibus RPT approval by Audit Committee	Audit Committee shall grant omnibus approval for transactions of repetitive nature and such approval shall be in the interest of the company. Investments and loans and advances to related parties, awarding of contracts for specific projects etc. require specific approval by the Audit Committee.

FORM RPT

To,
The Company Secretary & Compliance Officer
Manappuram Finance Limited,
Manappuram House,
Valapad PO, Thrissur-680 567.

Dear Sir,

A. , ------, daughter/son/c/o Mr.-----, resident of, holding Shares (equity) of ₹2/- each as on in the Company in my name, being a Director in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following private company or companies or firms:

Sr. No.	Name of the Private Companies / Firms	Nature of Interest or concern / Change in Interest or Concern	Shareholding	Date on which Interest or Concern arose/changed

B. The following Public Companies in which I am a Director and holds along with my Relatives (Schedule) more than 2% of paid up share capital as on the end of this financial year:

Sr. No.	Name of the Public Companies holding more than 2% of paid up share capital	Shareholding	Date on which Interest or Concern arose/changed

C. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions:

Sr. No.	Name of the Body Corporate

D. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation

E. The following are Bodies Corporate or association of individuals in which I am or my Relatives (Schedule) interested as a Director of Body Corporate or Member of Association:

Sr. No.	Name of the Bodies Corporate / Association of Individuals	Nature of Interest or concern / Change in Interest	Date on which Interest or Concern arose / changed

Signature:...

Name:

Designation:

DIN No:

Place:

Date:

SCHEDULE TO FORM RPT

LIST OF RELATIVES

Sr. No.	Relationship	Full Name	Address	Shareholding in the Company
1	Spouse			
2	Father (including Step-Father)			
3	Mother (including Step-Mother)			
4	Son (including Step-son)			
5	Son's Wife			
6	Daughter			
7	Daughter's Husband			
8	Brother (Including Step-Brother)			
9	Sister (Including Step-Sister)			
10	Members of HUF			

Signature:

DIN No:

Date:

Foot Note

1) *All other conditions of the policy will continue to apply in all Related party transactions.*

2) *Cost saving need not be critical unless it is material and the same shall be decided by the board*

3) *In case of asset disposal, higher bid form the related party need not be the reason to do the transact*

ANNEXURE IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy:

We at Manappuram are inclined to go for conservation of energy by encouraging adoption of go green initiatives. However, the Company follows a practice of purchasing and using energy efficient electrical or electronic equipment and gadgets for its operations. Additionally, optimal use of technology may also lead to substantial conservation of energy.

(ii) the steps taken by the Company for utilizing alternate sources of energy:

The Company is exploring the potential of using alternate sources of energy including solar energy and would continue to explore alternative sources of energy in future.

During the Financial Year 2021-2022 we have commissioned 3 Solar Power Plants of capacities as below

1. 13 KiloWatt
2. 6.7 KiloWatt
3. 6.5 Kilo Watt

By installing this plant we have saved Conventional Electrical Energy to the tune of 23000 Units(KWh)

(iii) the capital investment on energy conservation equipment:

Total capital Investment ₹14,11,083/-(Rupees Fourteen Lakh Eleven Thousand and Eighty Three)

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption:

The Company was one of the first NBFCs to build and operate a centrally managed software application and all its branches across the country operate online with direct access to the centrally hosted applications, through wide-area data network. We are upgrading the network connectivity/revamping the application landscape and toped up by information security and cloud technology to support the deployment and ease of usage of technology. The technology-driven business model aims to reduce dependency on manual tasks and is built on the capabilities of RPA, leading to wider inclusion, cost-effectiveness, prowess in credit quality and a quicker turnaround time than traditional lending models.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

Adaptation of technology more than ever and harnessing partnership ecosystems across the value chain of lead generation, customer onboarding, underwriting, credit/loan disbursement and the collection became more efficient. Mobile and smartphone penetration has enabled us to connect with customers having low incomes, who can use their mobile devices throughout the lending cycle of application and engagement. Robotic process automation (RPA) has enabled streamlining of operational workflows, increasing productivity, accuracy and cost savings.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earnings and outgo during the financial year 2021-22

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	₹ in Million
Total Foreign Exchange earned	0.1429
Total Foreign Exchange expended	0.00

ANNEXURE V

(PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH RELEVANT RULES.)

1. Brief outline on CSR Policy of the Company.

   Manappuram Foundation, a charitable organization set up in October, 2009 is implementing and driving forward the Corporate Social Responsibility (CSR) of Manappuram Finance Limited (MAFIL). It was well involved in the CSR sphere years before it became a law of the land. With a vision to create healthy, educated and happy communities, MAFIL has spent ₹269.11 million (Including ongoing projects) through the Foundation during FY 2021-22 towards CSR in the following area:

   - Promotion of Quality Education
   - Promotion of Healthcare/ Preventive Healthcare
   - Development of the Rural Communities

   Manappuram Foundation's strategy is to collaborate with internal as well as external stakeholders to make an impact in the community through grass root programmes in Quality Education, Healthcare and Community Development. At present, the bulk of the Foundation's activities are centred at the Thrissur coastal belt, which is also where MAFIL is headquartered. The financial audit and social audit is also conducted periodically to measure the impact of all major projects in CSR and to make sure the activities are in line with the vision and mission as approved by MAFIL.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sutapa Banerjee	Chairperson - Independent, Non-Executive	5	5
2.	Mr. V P Nandakumar	Member -Non-Independent, Executive	5	5
3.	Adv. V R Ramachandran	Member- Independent, Non-Executive	5	5
4.	Mr. Abhijit Sen	Member-Independent, Non-Executive	5	5

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company –

   Web-link for CSR Committee – https://www.manappuram.com/investors/corporate--governance.html

   Web-link for CSR Policy – https://www.manappuram.com/public/uploads/editor-images/files/CSR%20policy.pdf

   Web-link for CSR Projects – https://www.manappuram.com/public/uploads/editor-images/files/CSR%20Projects%20Approved%20by%20the%20Board%20for%20the%20FY%202021-22.pdf

4. Provide the 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 (attach the report) - Detailed report is annexed to this report.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	2018-19	–	–
2.	2019-20	–	–
3.	2020-21	–	–
	TOTAL		

6. Average net profit of the company as per section 135(5). – ₹17465.01 Million

7. (a) Two percent of average net profit of the company as per section 135(5) – ₹349.30 Million

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Nil

   (c) Amount required to be set off for the financial year – Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c) – ₹412.27 (including opening unspent of ₹62.97 Million)

8. (a) CSR amount spent or unspent for the financial year

(₹ in million)

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in RS)				
	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
209.3	140.0	11.04.2022	-	-	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
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 (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implemen-tation - Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Vision Valapad – Manappuram Snehabhavanam	Rural development projects	Yes	Kerala	Thrissur	1.5 Years	13.0	8.3	4.7	No	Manappuram Foundation	CSR00004545
2.	Expansion of Manappuram Schools	Promotion of Education	Yes	Kerala	Thrissur	2 Years	93.5	9.9	83.6	No	Manappuram Foundation	CSR00004545
3.	Expansion of Health Facilities (Macare)	Promotion of Healthcare	Yes	Kerala	Thrissur	2 Years	57.4	5.7	51.7	No	Manappuram Foundation	CSR00004545
	Total						**163.9**	**23.9**	**140.0**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(11)	
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 for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Financial Support to Peringottukara Dialysis Centre	Promotion of Health care	Yes	Kerala	Thrissur	1.2	No	Manappuram Foundation	CSR00004545
2.	Financial Support to Salim Ali Foundation	environmental sustainability, ecological balance, conservation of natural resources	Yes	Kerala	Thrissur	0.3	No	Manappuram Foundation	CSR00004545
3.	Financial Support to Chaithanya Special School	Promotion of Health care	Yes	Kerala	Thrissur	0.1	No	Manappuram Foundation	CSR00004545
4.	Financial Support to Nattika Sports Academy	Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport	Yes	Kerala	Thrissur	0.4	No	Manappuram Foundation	CSR00004545
5.	Financial Support to Type 1 Diabetics Foundation	Promotion of Health care	Yes	Kerala	Thrissur	0.1	No	Manappuram Foundation	CSR00004545
6.	Financial Support to local schools & Students	Promotion of Quality education	Yes	Kerala	Thrissur	0.2	No	Manappuram Foundation	CSR00004545
7.	Improvement of educational facilities of Schools (MPS & Mageet)	Promotion of Quality education	Yes	Kerala	Thrissur	48.3	No	Manappuram Foundation	CSR00004545
8.	Improvement of educational facilities of MAFOUND educational institutions	Promotion of Quality education	Yes	Kerala	Thrissur	23.6	No	Manappuram Foundation	CSR00004545
9.	Expansion of Campus and technology upgradation of Mageet Public School	Promotion of Quality education	Yes	Kerala	Thrissur	2.3	No	Manappuram Foundation	CSR00004545
10.	Educational support and scholarship	Promotion of Quality education	Yes	Kerala	Thrissur	10.5	No	Manappuram Foundation	CSR00004545
11.	Expansion of campus of MAPE	Promotion of Quality education	Yes	Kerala	Thrissur	6.8	No	Manappuram Foundation	CSR00004545

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(11)	
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 for the project (in ₹)**	**Mode of implementation - Direct (Yes/No)**	**Mode of Implementation – Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
12.	Improvement of educational facilities of MAIAM	Promotion of Quality education	Yes	Kerala	Thrissur	4.0	No	Manappuram Foundation	CSR00004545
13.	Improvement of Health facilities (MAHIMA, Mafit, Mayoga, Ambulance, Macare etc)	Promotion of Health care	Yes	Kerala	Thrissur	55.6	No	Manappuram Foundation	CSR00004545
14.	Expansion of MAYOGA	Promotion of Health care	Yes	Kerala	Thrissur	10.0	No	Manappuram Foundation	CSR00004545
15.	Other Community, Health and Social Welfare activities	Rural Development & Promotion of Health care	Yes	Kerala	Thrissur	10.8	No	Manappuram Foundation	CSR00004545
16.	Joint projects with NGOs	Rural Development & Promotion of Health care	Yes	Kerala	Thrissur	7.8	No	Manappuram Foundation	CSR00004545
17.	Manappuram Aquatic Complex	Promotion of Healthcare & Training of Olympic Sports	Yes	Kerala	Thrissur	3.3	No	Manappuram Foundation	CSR00004545
	TOTAL					**185.3**			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil (The Company had carried-out the Impact Assessment during the financial year, but the amount for the same has been spent in the FY 2022-23.)

(f) Total amount spent for the Financial Year (b+c+d+e) - 209.3 Million

(g) Excess amount for set off, if any - Nil

Sl. No.	Particular	Amount (in ₹ Million)
(i)	Two percent of average net profit of the company as per section 135(5)	349.30
(ii)	Total amount spent for the Financial Year	209.3
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	-	-	-	-	-	-
2.	2019-20	-	-	-	-	-	-
3.	2020-21	62.97	59.8	-	-	-	3.2
	TOTAL	**62.97**	**59.8**	**-**	**-**	**-**	**3.2**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project Completed / Ongoing**
1.	MAFOUND/MAFIL/ FY2020-21/012	Expansion of Manappuram Ambulance Service	2020-21	1 year	15.63	10.00	15.63	Completed
2.	MAFOUND/MAFIL/ FY2020-21/013	Expansion of MACare units	2020-21	2 Year	55.97	49.80	52.80	Ongoing Project
	TOTAL				**71.60**	**59.80**	**68.43**	

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).

Sl. No	Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital assets (₹ in Millions)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1	April 1, 2021 to March 31st, 2022	11.05	Mukundapuram Educational & Cultural Society Address : MECS Complex, Kallamkunnu Road, Nadavaramba P O, Thrissur District, Kerala - 680 661	Various capital assets including infrastructure developments Address : Mukundapuram Public School, Kallamkunnu Road, Nadavaramba P O, Thrissur District, Kerala - 680 661
2	April 1, 2021 to March 31st, 2022	90.57	Manappuram Foundation Address : V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680 567	Various capital assets in the form of infrastructures, educational accessories & devices, diagnostic machineries, medical equipment and other capital assets including lease hold improvements for promoting quality education, quality healthcare, preventive healthcare and rural development projects. Address - various units of Manappuram Foundation located at Valapad, Thrissur, Palakad & Kaloor
3	April 1, 2021 to March 31st, 2022	5.52	Various beneficiaries Address : Multiple locations across Kerala	Houses constructed /renovated for homeless BPL people Address : Multiple locations across Kerala
4.	April 1, 2021 to March 31st, 2022	0.89	Various hospitals and health centers including Government medical college Address :Trivandrum and Thrissur	Infrastructural facilities and Wheel chairs Address :Trivandrum and Thrissur
5	April 1, 2021 to March 31st, 2022	0.66	Various beneficiaries including public authorities Address : Multiple locations across Kerala	Equipment for prevention of Covid 19 Pandemic including fumigators, sanitizing machines, thermometer etc Address : Multiple locations across Kerala
6	April 1, 2021 to March 31st, 2022	8.15	Various individual beneficiaries Address : Multiple locations across Kerala	Mobile phones/Televisions for promoting quality online education during Covid pandemic period Address : Multiple locations across Kerala
7	April 1, 2021 to March 31st, 2022	1.23	Various Schools and Educational institutions Address : Multiple locations across Kerala	Furniture and other infrastructural facilities for promoting quality education Address : Multiple locations across Kerala
8	April 1, 2021 to March 31st, 2022	0.17	Various individual beneficiaries Address : Multiple locations across Kerala	Four wheeler scooters to BPL physically challenged people Address : Multiple locations across Kerala
9	April 1, 2021 to March 31st, 2022	5.29	Various hospitals including government hospitals Address : Multiple locations across Kerala	Ventilators Address : Multiple locations across Kerala

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 amount remains unspent is pertaining to the ongoing projects and the same have been transferred to unspent CSR account. There were procedural delays in getting permission from statutory authorities to complete the projects which lead to extend the projects more than one year. The amount so transferred will be spend with in a period of 3 years.

SOCIAL IMPACT ASSESSMENT 2020-21

OVERVIEW

Manappuram Finance Ltd (often known as MAFIL)'s vision is centred on the greater good of society in addition to its business objectives. To spearhead the business's endeavours in Corporate Social Responsibility, the Manappuram Foundation was founded in October 2009. The foundation's mission is to make meaningful interventions in society to bring about a positive change by being instrumental in imparting quality education to its children, generating livelihoods for its people, providing medical help for the sick, empowering women for their betterment and thus fostering a harmonious community.

Through its CSR program, the company engages in several projects that are socially pertinent within and around the areas surrounding its corporate office area and branch offices. The main focus of MAFIL CSR activities as per its CSR policy includethe Promotion of Health care, Quality Education and the Empowerment of women through community-based initiatives. Some key projects supported by MAFIL and implemented by the Manappuram Foundation during 2020-21 were as follows.

QUALITY EDUCATION

- Manappuram Geetha Ravy Public School, Valapad
- Mukundapuram Public School, Irinjalakuda

PROFESSIONAL UPSKILLING

- MA Campus at Valapad, Thrissur & Palakkad
- MA Academy Valapad & Palakkad
- MAIAM - Manappuram Institute of Automotive Skill
- Manappuram Institute of Skill Development

HEALTH

- Manappuram Ambulance Services
- Manappuram Aquatic Complex, Valapad
- Manappuram Fitness Centre Gym & Badminton, Valapad
- Manappuram Yoga Centre, Valapad & Thrissur
- MAHIMA Counselling & Psychotherapy Centre
- MACare Diagnostics Centre, Thrissur & Kalloor

COMMUNITY DEVELOPMENT INITIATIVES

- Elderly Day Careand Organic Farming
- Disaster relief
- Housing construction
- Promotion of rural sports
- Supporting community infrastructure

Through these CSR Activities, MAFIL aims to bring about sustainable change and growth in the lives of the marginalised people in the coastal belt of Thrissur and Valapad. MAFIL also aims to be a changemaker and a beacon of light to the local community, particularly the underprivileged.

To assess its projects' reach, scale and impact, MAFIL conducted 'Social impact study' of some of its key projects for the financial year April 2020- March 2021.

S. No	Core Activity	Annual Budget (In lakhs)	Actual Spent (In Lakhs)	Admin Overhead (In Lakhs)	Total Spent (In Lakhs)
1	Mukundapuram Public School and Ma Geet School	1,906.4	1,198.1	51.4	1,249.5
2	Community development programs/Housing projects support etc	68.7	265.3	-	265.3
3	Ma Care diagnostics	-	203.4	8.7	212.1
4	Students coaching for higher education- CA/entrance	321.2	129.4	5.5	135.0

The projects above were predominantly implemented within the district of Thrissur and some areas of Aluva, Kochi, Malappuram and Palakkad.

METHODOLOGY USED

MAFIL appointed Social Audit Network, India (SAN) to conduct the impact assessment as part of an external audit exercise. The methodology used for the impact assessment was a blend of primary and secondary data analysis. The SAN team visited the project areas, including Mukundapuram High School, Ma Geet School, MA Academy, Ma Campus, Ma Care, Housing Projects, SN Trust and Natika Sports Academy.

The information presented in this report is based on the observations made during the field visits to the projects and the interactions with the stakeholders by the SAN team. It also includes an analysis of the survey tools used by the team. Primary data was collected through direct interaction with beneficiaries during the visits. Focus group discussions and personal interviews were conducted with primary stakeholders, management team, and staff of the Institutions. The secondary data was taken from the MIS reports and documents shared by MAFIL.The stakeholder meetings were conducted in Thrissur over ten days in June 2022. Subsequently, telephone calls were also made to the beneficiary groups..

PERFORMANCE REPORT OF MAFIL'S CSR INITIATIVES

A. QUALITY EDUCATION

Education is essential for maintaining self-respect and empowers intellect and imagination. It is the secret to success and unlocks a world of possibilities, enabling everyone to contribute to a forward-thinking society.

Holistic education is a philosophy based on the premise that each person finds identity, meaning, and purpose in life through connections to the community, the natural world, and humanitarian values such as compassion and peace.

Everyone should have access to the right education; this philosophy is now being recognised globally.Today, there is more awareness of incorporating innovative learning measures, includingtechnology and activity-based learning to enhance academic proficiency.However, a significant discrepancy exists between the required level of educational excellence and what is being provided. This is particularly true for students in rural and semi-rural areas.

About MAFIL's CSR Education Initiatives

Manappuram Foundation started several educational programmes that deliver a top-notch education to fill this gap and respond to the above scenario. Two significant steps taken are the

1. Manappuram Geetha Ravy School (Ma Geet) and
2. Mukundapuram Public School.

The goal of the schools is to deliver quality instruction and provide child-centred, activity-oriented education for the next generation utilising the best pedagogy supported by available technology. It also is to develop good citizens by providing a learning environment that encourages creativity in all that is done while also committing students to the advancement and upliftment of society. The schools also aim to extensively develop their infrastructure while promoting students' overall development in academics, athletics, technology, and other related fields.

The objective was to examine the impact of the funding provided by MAFIL and MAFND Foundation to support the running costs and construction of Ma Geet School and Mukundapuram Public School. The total budget allocated to this was ₹12.49 crores.

1. MA GEET SCHOOL

The Manappuram Geetha Ravy School is one of the first of its kind initiatives within the Valapad area. The School caters to the population in and around Valapad to enable children with quality schooling and primary education right from their formative years through the Montessori education till class 2 and CBSE education from thereon.

- **Performance**

  The Ma Geet Creche and Montessori School (Ma Geet) was formally inaugurated in 2015. The School began as a Montessori Center with nearly 26 students, offering only Montessori training for KG sections. In 2016, two batches of Montessori were offered. By 2018, Ma Geet was associated with the NCERT board and became one of the few CBSE schools in Valapad Panchayat with around 240 children. Over the years, the School has increased its reach to over 362 children.

In 2020-21, 294 children were enrolled in Ma Geet. Of this number, 43% were from the KG and pre-KG sections, and 24% were from 1st and 2ndStd, indicating that the parents widely appreciated the curriculum and teaching structure followed in the lower classes. The number of students enrolled in the senior classes (11th and 12th) was zero during the audit period. The details are given below.

CLASS	TOTAL STUDENTS (2020-21)
PRE KG	6
LKG	60
UK	60
1	46
2	25
3	31
4	23
5	11
6	9
7	16
8	7
9-12th	0
TOTAL	**294**

- **Relevance**
  Montessori education, which is more than a century old, takes a holistic, child-centred approach to teaching and success. Still, it has primarily been the domain of wealthy families for decades. Even though the Montessori education model is gaining popularity in many big cities, many rural school children are less likely to benefit from it due to the high costs of setting up the centres and special teacher training. The Montessori classes offered by Ma Geet managed to change this trend.

  The program is particularly pertinent as children in Ma Geet would never have had access to the program if not for the intervention by MAFIL. The School's Montessori coaching is lauded and welcomed by young parents keen to enrol their children in the program. No other players are offering the same program within an 8 km radius. There are numerous CBSE schools in the facility; however, none offer services of this standard. The uptake and receptivity of parents and the community to the CBSE classes need to be focused upon. Most parents seem to be invested in the Montessori teaching style. The School and its offerings align with MAFIL's core thematic areas in its CSR policy. The School is also aligned with UN SDG 4, which focuses on providing quality education. The overall project is also aligned with the GOI's education initiatives.

- **Effectiveness and Efficiency**
  MAFIL successfully provided students with a safe space to imbibe the Montessori methodology's teachings. The high-class infrastructures like smart classrooms, robotics classes, and top facilities provided to the students in the higher classes who follow the CBSE syllabus are of the highest standards, comparable to international schools in big cities. This, however, is not being practised in higher classes (after Class 2). Since MaGeet follows the CBSE curriculum, it is observed that children who finish class 2 are taught with standard CBSE pedagogical approaches.

  Stakeholder feedback from the parents revealed that Montessori students outperformed their non-Montessori peers on various social and emotional indicators. Children's school readiness increased in areas such as:

  - Physical well-being and motor development
  - Social and emotional development
  - Approach to learning
  - Processing Languages and Sounds
  - Cognitive Development

  The School has successfully provided a meaningful, high-tech academic environment for students (an LMS is also being built for teachers and children who need to improve their skills. The use of technology in teaching and learning will prepare the students and teachers to meet the needs of the ever-growing and fast-paced learning environment.

MA Geet students (particularly those in KG and pre-KG) are more capable of understanding abstract and concrete experiences in the world around them by using all their senses. They can also look after themselves, others, and their surroundings in real life. Children were noted to be capable of expressing themselves in written and spoken language and comprehending information. Students are instilled with a sense of love for their culture and one's place in the world. They also display admiration for the achievements of those around them. Children in the school programme also have a good sense of self. Stakeholder interviews revealed that they are more competent and accountable for their actions than their counterparts. According to teachers, discipline is handled differently in Montessori programmes. Children in the programme are disciplined but are still granted freedom. Children are treated with respect in the schools and are trusted to learn from their mistakes.

- **Social Impact**

  Ma Geet school has been instrumental in providing students in rural areas with access to Montessori coaching and high-quality schooling, regardless of their gender; this is typically not the case in rural areas where more males than females have access to quality schooling. Out of total 294 students, approximately 50-60% of the students belong to the Socially/economically weaker sections of Society. Students who completed their Montessori schooling in Ma Geet demonstrated a greater sense of confidence, independence and discipline when compared to their counterparts who did not. The infrastructure and facilities provided by MaGeet have raised the hopes and aspirations of the students and parents who aim to carve out better lives for themselves. Students in the KG classes are also first-generation learners of the Montessori system; the School is also the first of its kind within its neighbourhood. Thus, through Ma Geet, MAFND has truly helped provide quality education to Kerala's rural and semi-rural students. However, there needs to be more emphasis on improving the communication skills of the teachers and students (about the English Language) with a particular focus on vernacular accent neutralisation and grammar proficiency.

STAKEHOLDER SPEAK.

- MaGeet strives to give holistic education which addresses the intellectual, emotional, social, physical, creative or intuitive, aesthetic potential of the students. Our classrooms and amenities are of the highest and finest standards- Director.
- With the Montessori programme, the reputation of our School has improved. I have noticed parents bringing in their wards from far away. Children provided with Montessori teaching are generally more disciplined and perform better than their peers in other courses. The children in our School are no exception. Those who have passed out and gone onto higher classes can do well. I am glad we have set up the programme and think it would be wonderful to implement this in higher classes.- Head Mistress.

Parents Profess.

- "Our son was reticent and slow in his studies initially. He has made significant progress and has begun to understand all of his letters and numbers, and our teacher has been very encouraging and communicative. The students are lovely; the teachers are fantastic."
- "My daughter adores the School, her teachers, and her classmates. I believe the School has done an excellent job of instilling focus, concentration, and individuality in her."
- "My son has become so disciplined. At home, he tells us not to dirty the house, folds his mat and leaves his plate in the sink. I am amazed that at this young age, he is so responsible."
- "We moved my daughter from a school 8 km away as we heard of this Montessori Education. We love this school, and our daughter also loves it. We were initially concerned about the long-distance, but she enjoys attending class. It was one of the best choices we've ever made."
- "The teachers are so friendly and caring, and the camaraderie they cultivate in the classroom is impressive, so if my son sees his friends outside the campus, they wave to each other as if they were family members."
- "Our daughter is the second member of our family to attend The Montessori Schools. We discovered that this is the only School with a true toddler programme, and it's been fascinating to see our daughter, who is only three years old, excel in the classroom and participate in her surroundings."
- "My child's ability to focus and learn has improved. I am very happy."

2. MUKUNDAPURAM PUBLIC SCHOOL

The Mukundapuram Public School (MPS) is a co-educational school situated in Mukundapuram in Nadavaramba near Irinjalakuda. The School follows the CISCE syllabus and has the vision to provide the next generation with modern education that is student-centred and activity-oriented. The School was established as a government-aided school by a team of prominent school teachers and academic personnel in the early 1990s. In 2014, the management of Manappuram Foundation took over the School, which was subsequently registered as a society in the same year. The School is funded by the Manappuram Foundation, the CSR wing of MAFIL.

- **Performance**

  There were 515 pupils enrolled in the School, ranging in age from Pre-KG to Std 10. Close to 49.3% of the students were girls. The majority (95%) of the children come from middle-class homes. Most students (383 out of 515, 74%) belonged to KG and Primary classes. The number of students in classes 11 and 12 was very few (10 students).belonged to KG and Primary classes. The number of students in classes 11 and 12 was very few (10 students).

Strength 2020-21

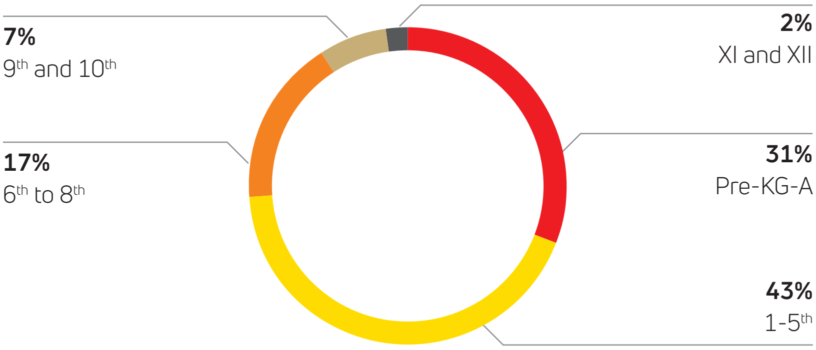


Figure 1 Section Wise Strength - MPS 2020-21

The school's overall performance over the last six years is detailed below.

Year	Total Students	Classes	No. of teachers	Pass % 10th	First-class %	Pass % 12th	First-class %
2016-17	312	LKG – Std 10	22	100	100	NA	NA
2017-18	337	LKG – Std 11	25	100	100	NA	NA
2018-19	357	LKG – Std 12	31	100	100	100	75
2019-20	417	LKG – Std 11	32	100	95	NA	
2020-21	515	LKG – Std 12	34	100	100	NA	NA
2021-22	573	LKG – Std 12	37	Not declared			

- **Relevance**

  Quality ICSE education is usually expensive and not available in small towns. Only students in cities can afford it or access it. This is being reversed thanks to Mukundapuram High School, which the MAFND manages in collaboration with the MAFIL. With about 70% of students coming from middle-income families and backgrounds, the institute caters to students from all walks of life. It offers them a platform comparable to that of prestigious private institutions. The programme is especially important since these pupils would not have had access to quality infrastructure and the highest education standards if it hadn't been for MAFIL's support. There are currently no other players comparably providing the same services.

- **Efficiency and Effectiveness**

  During the pandemic, emphasis was placed on integrating technology into the delivery of courses. Following educational strategies have also attempted to emphasise experiential learning and increase students' interest in science via robotic labs etc. This is a new phenomenon, particularly for students from rural regions.Few organisations work to integrate advanced laboratories like robotics labs into educational settings; this distinguishes MAFND from other organisations by filling in the gaps in the learning continuum by enhancing the learning and curiosities of diverse students.

  Mukundapuram Public School has successfully carried out the programme within the constraints of the grant's budget and the money collected through fees. Capital expenses, employee costs, and other operational costs comprise the program's three main cost categories.All pupils are encouraged to adopt experiential learning, and the School works to make learning simple. Teachers received technical training to guarantee sufficient hands-on experience, and students had access to labs and other facilities. In addition to school instructors, staff members receive frequent training and guidance from higher-ups to guarantee effective resource management.

  Technology was effectively utilised to increase the accessibility and efficiency of the School's teaching outcomes. Students were given access to interactive sessions and subject-specific material. MPS has all the latest infrastructure needed and a committed team to run the lab and carry onnovel teaching methods.The teachers have been given materials, tools, and free online tools for learning access.The pandemic has ensured that digital tools and online learning are included in the normal teaching procedures, which complements the steps done by MPS to guarantee project output delivery.The importance of communication and technology, especially in the modern setting, has been realised by the teachers and students, who have witnessed a rise in their interest in learning/teaching technology and acknowledged its role within classroom interactions.

- **Social Impact**

  Mukundapuram Public School is among the few schools affiliated with the Council for Indian School Certificate Examinations. Since MPS is a co-ed school, it has set a precedent in its vicinity as one of the few schools offering CISCE education to all genders. Out of total 515 students, approximately 65-70% of the students belong to the Socially/ economically weaker sections of Society. Over 90% of the staff hail from within a 10- mile radius; this automatically translates to providing employment opportunities to the locals. Another key area where MPS creates a social impact is in enhancing the aspirations of children and parents who collectively aim for a better future for themselves. However, the School is yet to position itself as one that enhances the communication skills of its students; there is a need for focused interventions to improve its overall standing as a school that considers English Language enhancement a priority.

STAKEHOLDER SPEAK...

Mukundapuram School is the only school that provides ICSE education within a 35 km radius at this cost. The facilities we provide are par-excellence, comparable only to the standards in city schools in metros. We envision that this School will become a residential school and that only the best curricular and extra-curricular standards will be achieved. Our students will have the finest facilities within a very short span. We have big dreams for this School!! - Director

Principal

- During Covid, we were the first School to open online classes. MAFIL's investment in technology and interest in providing the latest facilities helped speed the process.
- Even our teachers were ready in no time during Covid, rising to the occasion and delivering beyond their comfort zone.We were braced for impact. This is why we managed to survive the Covid debacle. Our team of teachers were our strength.
- In addition to the facilities we provide, the USP of the School is that we care beyond admissions and numbers; we want quality pass-outs and strive for that every day.

Students

- I am in 11th Std. My friends who went to other schools do not have the same facilities that we have.
- What do I like about this School? The facilities, the AC classrooms, the labs, the teachers. Everybody is friendly

Admin Staff

- I have been a part of this School for over 18 years, even before Manappuram Foundation and MAFIL took over the management. This school's reputation has increased by leaps and bounds during the last six years.
- I am very confident and happy with the teachers and the management. I urged my son to enrol my grandson in the same School.

B. PROFESSIONAL UPSKILLING

About MAFIL's CSR Professional Upskilling Initiatives

The upskilling initiatives work towards coaching the students in professional courses and entrance into engineering and medical streams via the Ma Campus and Ma Academy, respectively. Students who want to enrol in different professional courses in medical and engineering schools, as well as other reputable institutions offering degrees in pure and applied sciences such as IISc., IISER, NISER, etc., can receive coaching for NEET, AIIMS, JIPMER, IIT, NIT, IIIT, etc. from the Ma Academy. On the other hand, Ma Campus offers coaching for Chartered Accountancy Course, Company Secretary and Institute of Cost Works Accountants. The objective was to examine the impact of the funding provided by MAFIL and MAFND Foundation to support the running costs of Ma Campus and MA Academy. The total budget allocated to this was ₹1.35 crores

1. MA CAMPUS

The Manappuram Campus of Professional Education (Ma Campus) aims at providing coaching sessions for the CA-Foundation, CA-IPCC (Intermediate Course), CA-Final, and CMA courses. These courses are now provided at its centres in Valapad and Thrissur.

- **Performance**

  Compared to the Institute of Chartered Accountants of India's All India Pass Percentage, the Academy's success record is exceptionally high (ICAI). Since the Academy's inception, 85 students have completed the CA Foundation Course (previously known as the CA-CPT), 48 students have completed the CA-Intermediate Group 1, and 16 students have completed both groups, qualifying them for the CA Final Course. The centre in Thrissur, which opened in 2017, serves both new and existing students.

The school's overall performance over the last six years is detailed below.

Exam	Total Students	Classes	No. of teachers	No. of teachers
CMA Foundation - Jan 2021	9	8	4	50%
CA Foundation Dec 2020	29	20	6	30%
CA Foundation May 2021	22	14	4	29%
Average pass percentage				36%

EXAM	Total Students	Exam Attended	Both Group Attended	Both Group Passed	Group 1 Attended	Group 1 Passed	Group 2 Attended	Group 2 Passed
CA Final May 2021	7	6	0	0	3	1	3	1
CA Final -Nov - 2020 -Jan 2021	10	6	0	0	0	0	6	5
CA Intermediate - May 2021	17	15	12	7	3	2	0	0
CMA Final - Dec 2020 to Jan 2021	23	17	5	4	8	6	7	3

- **Relevance**

  The MA Campus Coaching centres address students' career needs in the areas it is situated in. Through a thorough pre-screening exercise conducted by the Director, Ma Campus ensures that only those who display keen interest and desire to pursue the course are selected. This way, the project automatically aligns itself to the aspirations and skills of the students. A few similar academies are available in the area, including the respective CA, ICWA ACS, and Ma Campuschapters. The community is also interested in the courses Ma Campus offers.

- **Efficiency and Effectiveness**

  The number of students enrolled is limited, given the reach of the MAFIL brand. The numbers could also indicate the stringent admission process conducted at the beginning. While this could improve the overall pass percentage, the revenue through students could be impacted. Campus drives can be conducted to increase the enrollment numbers.

  Assessments are conducted (including mock) on a weekly/bi-weekly basis to ensure a faster learning curve. Lessons follow a structured curriculum. The pass percentage ratio was also on par with or higherthan other academies. Opportunities for students to gain their articleship certification are also provided. More than 70% of those who enrol for the program attempt their exams. There are instances of those who cleared the exam getting placed within MAFIL.

MA Campus has a good team of trainers who have wide experience and subject-matter expertise. The Campus also employs a diverse mix of young and experienced teachers to handle subjects of varying difficulty levels. This ensures that the time given by the senior staff (some with over 15-20 years of experience) is effectively utilised. The ratio of teachers to students was observed to be adequate. The classrooms and infrastructure available were found to be more than adequate to meet the needs of the current students.

In addition to providing subject-matter-based coaching, Ma Campus also works on improving the job readiness of their students via sessions on soft-skill development, interview taking etc. Some of the stakeholders interviewed opined that the students' and parents' general satisfaction levels were high. They are also aware of the opportunities provided by MAFND for them to join the Manappuram Finance Company as Chartered Accountants or for their article ship. However, this facility is yet to be availed by the students.

When asked about the top three reasons the children were sent to this institute, Accessibility, Affordability and Reputation of the institute were found to be deciding factors.

- **Social Impact**

  Through Ma Campus, MAFIL has provided equal upskilling opportunities to students of all genders. Further, the affordable fee structure and the venues of the centres ensure that the coaching courses are accessible to most students, irrespective of their backgrounds. The fees charged by MA Campus is much lesser than the fees charged by other well -known institutions. Apart from this, MA Campus provides 50% concession to the students belongs to BPL/Economically backward families. 21% of the 117 students have availed the concession. All the students were first-general CA/ICWA/CS aspirants. Without this centre, students would have pursued a basic degree course. Ma Campus also provides an opportunity for girl students to aspire for a professional career, given the easy access to good quality coaching services in rural and semi-rural areas.The programs offered also helped in creating a spark of aspiration amongst parents and children. Ma Campus also helped to prevent rural migration to bigger cities and towns by providing employment (and thereby income enhancing) opportunities.

STAKEHOLDER SPEAK…

In addition to the great coaching facilities we provide, the USP of the Academy is that we care about the child's well-being. We understand many come from low- households. We support them as much as possible through scholarships and other such incentives. - Director

Students

- The coaching facilities provided were very good. The concepts were clearly explained to us. There were many opportunities to learn from the extremely kind professors.
- The books and materials provided are also very good and help during the exams.
- Although I did not like it much then, the regular mock exams helped me prepare well and know where I stood.

2. MA ACADEMY

The Manappuram Academy for Entrance Coaching (MAEC) started in May 2015 with a focus on providing coaching to students from low-income families for medical and engineering college entrance exams. The goal is to establish a major coaching centre in Kerala. The Academy runs six programs, namely.

- +1 and +2 Tuition – 1-year program for 11^{th} and 12^{th} Std Children. Conducted online.
- +1 and +2 entrance- 1 year coaching for NEET and JEE,
- Repeater Course- For NEET and JEE, One year program, 6-8 hours a day.
- Foundation Course
- Crash Course – Two months For NEET and JEE, 5.5 hours a day
- Bridge Course – 45-day course for those who have completed Class 10. 5.5 hours a day

Overall performance

During that time, 33 students joined the engineering entrance coaching, and 19 joined the NEET course.Eighteen students joined the +1 course, and 13 joined the +2 courses. Fourteen students were part of the repeater batch. Only one student cleared the exam to pursue her MBBS.

- **Relevance**

  The educational needs of students in the locations where the MA Academy Coaching centres are located are met. The initiative fits well with the students' and parents' goals and abilities who need a specialised coaching facility to prepare their kids for the NEET and Engineering entrance exams. There aren't many schools nearby that are similar to these. The community is also interested in the courses that Ma Academy offers.

  Due to the Academy's location, it helps reach out to many disadvantaged youngsters from marginalised societies to get the necessary coaching to pass their entrance examinations. The coaching centre also offers scholarships ranging from 25%.50%,75% and even full scholarships) based on the financial and socio-economic, and demographic profile of the students.

- **Effectiveness and Efficiency**
  A small number of students are enrolled, given the popularity of the MAFIL brand. Campus drives could be organised to boost enrolment. Further, more aggressive marketing measures will be adopted to improve enrollment rates.Of the students who enrolled, only one got admission into a medical college. This number is extremely low, indicating the need to revisit the coaching strategy, delivery etc. Assessments (including simulated ones) are carried out weekly or biweekly. Lesson plans adhere to a set curriculum.

  Additionally, it was discovered that the pass ratio was next to zero and, thereby, lower than that of big coaching centres in Thrissur. The number of teachers is adequate, and the teachers possess the required experience and subject-matter knowledge. It was determined that the teacher-to-student ratio was suitable. The infrastructure and classrooms were more than sufficient to handle the demands of the existing students. The average batch size was 25-30.

- **Social Impact**
  The Ma Academy addresses the lacunae in the remote coastal area for quality coaching services for students interested in pursuing their higher education in Medicine or Engineering. MAFIL has been able to offer students of both genders the necessary entrance admission coaching thanks to Ma Academy. Additionally, regardless of the students' socio-economic

backgrounds, the coaching courses are accessible due to the reasonable cost structure and the locations of the facilities. The fees charged by Ma academy is much lesser than the fees charged by other well -known institutions in the area. Ma Academy also provides 50% concession to the students belonging to BPL/Economically backward families. 100% fee concession or full scholarship is offered to students belonging to SC/ST BPL with 90% and above marks. 9% of the total 97 students have benefited by these concession schemes. All of the students were first-generation aspirants to careers in engineering or medicine. Given the simple access to high-quality coaching services in rural and semi-rural locations, Ma Academy also gives female students the chance to aim for a professional career. The activities provided also aided in igniting aspirations in both parents and kids.

STAKEHOLDER SPEAK...

Program Director
- In addition to the great coaching facilities we provide, the USP of the Academy is that we care about the child's well-being. We understand many come from low- households. We support them as much as possible through scholarships and other such incentives.

Students
- The coaching facilities provided were very good. The concepts were clearly explained to us. There were many opportunities to learn from the extremely kind professors.
- The books and materials provided are also very good and help during the exams.
- Although I did not like it much then, the regular mock exams helped me prepare well and know where I stood.

Admin Staff
- I have been a part of this organisation for over two years; even before I joined here, I knew about the organisation's reputation. This Academy is slowly being recognised as one that will be a force to reckon with. There are smaller coaching centres in Valappad but none that are our direct competitors. I would recommend this Academy to any of my friend's kids.

PARENTS' TESTIMONIALS
- I was very happy with my child's progress. He became very diligent after attending the classes.
- This was the most affordable coaching centre in the vicinity. I also heard that they discount those who can't afford training.
- I understand that other institutes have many more children in one class. Here, my child got undivided attention.

C. HEALTHCARE

A thorough review of India's healthcare systems reveals a significant divide between the availability of quality healthcare services and their affordability. Quality healthcare comes at a price that puts it out of the reach of ordinary people.Manappuram Foundation started several health programmes to deliver quality healthcare to the needy. One of the significant measures in this regard was the Manappuram Ma Care Centres in Kochi and Thrissur.

MaCare aims to make diagnosis and treatment affordable to a larger cross-section of society, even as it is available with state-of-the-art medical equipment. Ma Care has chalked out a plan to launch a chain of many Diagnostic clinics across Kerala within the next five years. And the very first of MA Care's clinics was launched at Valapad, Thrissur (Kerala) and subsequently in Kochi.

The objective was to examine the impact of the funding provided by MAFIL and Manappuram Foundation to support the running costs and the Ma Care centres in Thrissur and Kalloor in Kochi. The Total budget provided was ₹2.03 crores.

1. MANAPPURAM MACARE

Ma Care is a laboratory service provider that helps to provide quality radiology and lab services to the citizens of Thrissur. The labs are equipped with advanced technologies and provide the best seamless modern healthcare. In addition, there are 14 departments where patients can use either avail themselves of walk-in consultations or online video consultations and online pharmacy to access super-speciality care. The labs are available in Thrissur.

Overall Performance

All 36,455 investigations were conducted during the period. During the study, 15,666 investigations were conducted in the Kaloor centre, and 207,89 patients underwent investigations in Thrissur. Of them, 65% received radiology services. 49% of the patients were from the Kaloor Centre, and 51% were from Thrissur. The total earnings from the investigations during the period were ₹1,60,94,108. The average cost per patient was ₹441.5. On average, a 15% discount on the prices is offered on the actual cost of the investigations.

- **Relevance**

  Universal Health Coverage (UHC) means that everyone, including people and communities, has access to the health care they require without facing financial hardship. It encompasses the complete range of critical, high-quality health services, from prevention through treatment, rehabilitation, and palliative care for people of all ages. Appropriate and competent health and care personnel with the right skill mix at the institution, outreach, and community levels are required to perform these services. UHC guarantees that everyone has access to services that address the leading causes of disease and ensures that the quality of those services is sufficient to enhance the health of those who receive them.Ma Care helps achieve this by ensuring that low-cost lab facilities and investigations are offered to patients from all walks of life. The majority of its patients come from the oppressed regions of Thrissur, Palakkad and Malappuram. The diagnostic centre is growing to be well-known. In addition to providing timely investigations, the centre also serves as an observation facility.

  The facility has provided quality medical treatment at a lower cost, making care accessible to most people. Furthermore, the facility has provided discounts averaging ₹2000 in investigation packages to benefit those who cannot afford it. The centre would not have been able to give this solution if MAFIL had not supported the equipment and costs. The workers agree that providing treatment at current standards would have been difficult if MAFIL had not provided the support. Therefore, this project aligns with MAFIL's overall designated theme area for CSR operations - Health Improvement.

Timely investigations and diagnosis comprise a major part of quality care delivery. MA Care's focus on care provision to guarantee enhanced service delivery aligns with the Government of India's India Action Plans and UN SDG 3 and 5, which seek to promote excellent health and well-being while reducing inequities. Ma Care has been able to serve many patients with quality, low-cost healthcare by subsidising investigation costs, thereby reducing out-of-pocket expenses.

The equipment provided and the extended support help cater to all the patients who come for lab or radiology investigations. The centre also provides the latest MRI scan facilities, which the biggest private hospitals do not offer. This helps the doctors easily identify and diagnose illnesses. The lab also serves as a Covid testing centre. Further, MaCare offers pharmacy services (including free-home delivery).

- **Efficiency and Effectiveness**

  Patients have highly praised the effectiveness of the services provided. Most of the patients interviewed said that one of the primary reasons they came to the hospital was because the charges were significantly lower than those at other healthcare centres and labs.

  The right equipment in a unit constantly improves the efficiency of its employees. It aids in reducing the time spent detecting health issues and delivering quality care. This was made possible through a contribution made possible by MAFIL's work.

  Quality healthcare staff and personnel are paramount to the success of a healthcare facility. The staff were all trained in utilising the lab equipment and confidence in their abilities to deal with complicated investigations. The equipment like MRI machines and mammography also helps the doctors better view the organs, aiding quick decision-making. This enhances their overall performance.

  The reputation of the centre helped drive the institution forward through its success; as a result, better performance results in higher revenue. Downtown time for investigations is typically 24 hours.

  The program was successful in catering to an extensive section of patients. MaCare also has a well-established presence. With continued CSR support and funding from its revenue, Ma Care can manage to offer the services without any significant funding pitfalls. Every new staff is duly mentored until he/she is comfortable handling the equipment and patient.

- **Social Impact**

  Timely investigations and diagnosis comprise a major part of quality care delivery. MA Care's focus on care provision to guarantee enhanced service delivery aligns with the Government of India's India Action Plans and UN SDG 3 and 5, which seek to promote excellent health and well-being while reducing inequities. Ma Care has been able to serve many patients with quality, low-cost healthcare by subsidising investigation costs, thereby reducing out-of-pocket expenses. Approximately 50-60% of the total patients are from socially/ economically weaker sections of the Society. Macare provides quality healthcare facilities at affordable rates and also provides various discounts for general public from time to time.

STAKEHOLDER SPEAK...

Program head

- Even during Covid, we were clear that the show would go on. Not one of our staff disagreed with us. The Covid-Testing Centre was open to all those who wanted to access it.
- About 40% of the patients come from poor backgrounds.
- There is a great deal of awareness of the investigations compared to before. Patients request the procedure.
- The MRI machine is an extremely vital resource that helps us perform better. Without this advanced equipment, we cannot work as effectively as we are now.
- The facilities and infrastructure have helped us redefine how diagnostic care is provided.
- The kind of facilities that we provide can be paralleled only by high-tech hospitals.

Unit Head

- The infrastructure has dramatically helped us provide quality care to those in need.
- Our Covid-testing centres were full during the pandemic.
- Our staff is doing free home delivery of medicines.
- We face many challenges, particularly regarding funding, but we are clear that we will never compromise on the services rendered. With the help of funders like MAFND, we are confident that we will always be able to serve the patients well.

Patients

- The services here are great. That is why we come here.
- My family trusts the lab. Even other doctors in private hospitals recommend it.
- I am unsure if the cost is cheaper, but the service is very good.

D. COMMUNITY INITIATIVES

A sustainable community is economically, environmentally, and socially healthy and resilient. When issues within the development sector are addressed in parallel, they have a positive ripple effect on the people's quality of life and future. By simultaneously focusing on all these areas, better outcomes are achieved, providing innovative solutions to local problems. Manappuram Foundation envisaged the creation of a community in Valapad which seeks to improve the lives of the locals by modifying their environment in a slow but sustainable manner.

The objective is to examine the impact of the funding provided by MAFIL and Manappuram Foundation to support the housing and community infrastructure costs. The total budget for this initiative was ₹2,65,33,437

1. HOUSING PROJECT

Overall Performance

The construction of 41 houses was supported during the time under two partnerships. MAFIL and MAFND, in conjunction with Lions international, sponsored the construction costs of 30 houses for people who had lost their houses and all belongings in the year 2019. 11 other beneficiaries were supported through another Lions Club initiative called the Home for Homeless program. On average, 3.5 lakhs were provided to each beneficiary as a partial sponsorship of the housing construction project.

- **Relevance**

  The lack of suitable housing facilities disproportionately affected all the beneficiaries who lived in shacks or huts. Those affected by the floods, in particular, were profoundly affected. This posed a serious threat to their health and mental well-being, and they struggled to manage daily, forcing them to employ mitigating strategies. The social and health needs of this community were particularly neglected. The project, which encompassed house construction, has been instrumental in addressing these shortcomings. It is particularly relevant as Lions Club first paid for the foundation and basic infrastructure, which most villagers could not afford. Hence, the program also served the purpose of leveraging other funding.

- **Efficiency and Effectiveness**

  The project has been completed with all the envisaged houses ready for use and in suitable conditions. The quality of the houses constructed is good and serves the requirement of an average-sized family. In houses with families with elderly members, closed toilets inside the house were also provided. All the proceedings were suitably recorded, and documentation was available for review. The construction work was also completed within the given timelines.

- **Social Impact**

  All the beneficiaries of the Housing project hail from economically disadvantaged sections of society. Most beneficiaries, especially young women, said they were proud to own a new home. An overwhelming majority of men also reported a sense of pride in owning a pucca house. Due to the new houses, they were looked at with a sense of respect by those who did not have one. Before the houses were constructed, the beneficiaries, especially women and girls, felt helpless and afraid. This was assuaged after the support from MAFND and MAFIL.

STAKEHOLDER SPEAK...

- "I used to worry about insects and snakes. Now it does not matter."
- "It was particularly difficult when the weather conditions were adverse. We could not step out when it rained. The kids, in particular, found it extremely challenging."
- "I used to fear walking out during the rains due to my advanced age. If I slipped and fell, it would take me a long time to recover. The house has solved this problem. I now have no fear."
- Earlier I used to worry a lot about the safety of the children. It is no longer a problem.
- I am extremely proud that I have a new house now. Earlier, living in the shacks was difficult.

2. OTHER COMMUNITY INITIATIVES

In addition, the following projects were funded to support the community infrastructure and other rural development initiatives. These include.

- **Construction of an Auditorium – SN Trust**
  MAFND supported building an auditorium at SN Trust in Aluva Kochi, a foster and old age home, by donating ₹10,00,000. The funds supported by the MAFND were used to build the ground floor for the auditorium. The funds also were used to support the construction cost of a dormitory. Approx 200 students benefited from the program.

- **Rural Sports Development – Natika Sports Academy**
  The sports academy at Natika was provided with ₹10 00,000 (Ten Lakhs) for the CAPEX costs for training sports students from other districts and within Valapad. Of those trained, two students went on to participate in the Asian Games. The audit team spoke to the coach, who mentioned that the support was useful as it helped train the children. 20 children were supported through the program.

- **Disability Program at Magic Academy**
  The disability support program was given ₹5,00,000 and focuses on improving the skills of disabled students by training them on magic to provide job opportunities. The sessions are provided free of cost. Children are selected based on their levels of disability and their financial background. The stringent screening process ensures that only needy students are given the opportunity. About 40 children were supported.

- **Covid Relief**
  During this time, investments were made to support those adversely affected by Covid. Projects like the support of meals for mothers, covid care kits, covid care sanitisers, PPE kits etc., were provided. Some of the organisations supported were Hope Charitable Trust (Which provided ₹4 lakhs for nutrition support for 40 pregnant women), Rajiv Gandhi Charitable Trust (₹6 lakhs) provided for Covid Relief Kits etc.

STAKEHOLDER SPEAK...

Magic Academy

- The children enjoy the sessions. There has been a marked improvement in their confidence levels and interpersonal skills. They are also much more disciplined than before. This program is a must for the children, and I am happy that Manappuram provides them with the same.
- Both programs aim to hone the children's latent talents and make them confident individuals. The students are not just equipped with training sessions but are provided with lunch, taken on educational tours, interactive sessions and exposure visits.

Trainer's tales

- It is such a heart-rending sight to see the children open up and blossom. I have personally interacted with the kids, who are all extremely bright and earnest. They love learning and are open to trying new things every time. It is a pleasure to be working with them. I feel lighter and happier after each session. It is a catharsis for me as well.

ALIGNMENT WITH UN'S SDGS

The projects supported during the financial year 2020-21 are aligned with the following UN Sustainable Development Goals.

Goal 3. Ensure healthy lives and promote well-being for all at all ages

The Ma Care centres and the support extended to the NGOs enable the beneficiaries to access health care facilities. As defined by the World Health Organization, access to healthcare can be promoted through three dimensions - Physical accessibility, Financial affordability and Acceptability. The diagnostic labs help provide quality and low-cost health services and make them accessible. This allows them to obtain the services from trusted medical professionals when they need them at subsidised rates. The Community health programs have also enabled poor patients to address their health concerns which would have otherwise not been able to access healthcare due to the lack of finances. The main focus of all the health initiatives has been the early detection of disease, thereby working towards creating healthier communities with Good health and well-being.

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

The Ma Geet School, Mukundapuram Public School, Ma Academy and Ma Campus, run by MAFIL via MAFND, have addressed three important issues faced by the children hailing from Thrissur District– Access to education, quality education systems and Upskilling. The schools provide holistic, quality and top-quality education to around 1000 children who follow the ICSE and CBSE curricula. The Academies have enabled many first-generation rural students to aspire to professional courses.

Goal 5: Gender equality

All the education and upskilling projects ensure that girl students have equal opportunities to pursue their careers. Most of the teachers at MPS and MaGeet are women. These projects have provided gainful employment to many women in rural areas of Kerala's Thrissur and Valappad districts.

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The two academies have provided access to the professional course for many students, who would have excellent job prospects both within and outside Kerala. Most of them are first-generation students who aspire to work in the formal sector, as their parents are predominantly daily wagers or hail from the fishing community. This would lead to economic growth in these families and improve their dignity and social status. Over 30% of the students are girls, leading to women empowerment and gender equality. Creating good jobs (fair wages & benefits), particularly in rural areas, has a positive social impact.

Goal 10. Reduce inequality within and among countries

By increasing the earning potential, providing access to economic opportunities, and giving quality education to the disadvantaged sections of society, MAFND has helped reduce social inequalities. All the activities aim to reduce the inequalities in society and bridge the divide between the have and have-nots in areas such as health, education, employment etc.

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

MAFND has provided infrastructures like an auditorium, houses, library, community hall, sports centre, and School to the local community. The Vision of the management to create a sustainable community with the best infrastructure and facilities that would lead to reduced rural migration and better opportunities for the local communities is slowly being fulfilled.

Goal 17. Strengthen the means of implementation and revitalise the global partnership for sustainable development

Most of the activities at MAFND are built on the experience and resourcing strategies of partnerships. By encouraging and promoting effective public, public-private and NGO partnerships, MAFND has been able to carry out many of its initiatives and created a win-win situation for the partners and MAFND as they are also able to serve the underserved successfully.

RECOMMENDATIONS

- **Education**

  i. A Department for Academic Excellence is to be created, which could evolve an appropriate Montessori-based curriculum up to class 4. It could also play a vital role inimproving and assessingteacher performance. This would ensure that the students receive quality education based on the Montessori methodology.

  ii. Accent training confidence-building workshops to be conducted for teachers.

  iii. To build the capacity of the teachers to handle the ICSE Curriculum.

  iv. Focus on the appointment of trainers or tutors who can conduct spoken English lessons for the teachers.

  v. Consider having a dedicated TOT program to improve teachers' and students' English communication skills.

  vi. Ensure that continuous learning incentives provided to the teachers by the management are being properly used.

  vii. Incentivise teachers based on the number of extra accreditations/certifications they undergo. Tie the incentives to their monthly salary.

  viii. Recommended to conduct regular PTA meetings and ensure that the parents' voices are heard.

  ix. Since the school's location has been cited as one of the reasons for poor enrollment numbers, residential facilities can be offered to students living outside a 15 km radius. This will also incentivise NRI students to enrol.

  x. The sports ground can be used to host district-level tournaments.

- **Upskilling Centres**

  i. Several student enrollments need to be increased, and more marketing initiatives to be conducted.

  ii. An impact study on the effectiveness of entrance coaching will be conducted to understand the shortcomings of the low number of children who clear their entrance exams.

  iii. Additional career counselling and support-group classes can be provided to the students who do not display interest in the coaching classes.

  iv. More crash course options can be made available for the entrance coaching centres.

- **Healthcare**

  i. It was observed that there is a high-end 129 slice MRI machine. This was not being adequately marketed and used. Offering these MRI services at a partial discount and tie-ups with hospitals can enhance their utilisation rate.

ii. The number of patients admitted to the hospital at any given time is almost three times less than the capacity of the day-care centre. This needs to be more effectively utilised.

- **Community**
  - Thorough needs assessments and justification are required before starting any program.
  - Sports ground in Ma Geet and Gym can be offered to students of Natika sports centre for strength training.
  - More monitoring visits are to be conducted by the MAFND team to ensure sustained equations with the stakeholders.
  - There should be an emphasis on documentation of community initiatives.
  - MAFND has been seen as an organisation that could afford to do things freely; hence, the community expects MAFND to dole out freebies. The field staff should explain that MAFND's role is to enable social development within the region by creating competencies among the community members through awareness, skill-building and entrepreneurship.
  - MAFND team should have regular meetings with the community and discuss ways and means they could contribute to the development of the local community by being responsible and working towards their personal development, which would lead to the development of the community.

CONCLUSION

All the activities of MAFND are very relevant and have varied impacts due to the reach and delivery of the programs. Most of the indirect implementation programs of MAFND need better documentation and follow-up processes as this affect the project's impact and sustainability. Sustainability measures for continuing the activities even after MAFIL and MAFND's exit need to be implemented.

ANNEXURE VI

MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March 2022

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

To,
The Members,
Manappuram Finance Limited,
IV/470A (Old), W638A (New),
Manappuram House,
Valapad, Thrissur,
Kerala - 680567

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Manappuram Finance Limited** (CIN L65910KL1992PLC006623) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended 31st March 2022 in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2022, 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 examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March 2022, according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;

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

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

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021

(c) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

(d) 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;

(e) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to an equity and debt listed company;

(f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation,2021.

(vi) The other laws as applicable specifically to the company and as examined by us are stated hereunder:

(a) The Reserve Bank of India Act, 1934;

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

(c) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015;

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

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

(a) Secretarial Standards on Board Meetings and General Meetings issued by The Institute of Company Secretaries of India.

(b) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited for listing its equity and debt securities.

(viii) Based on the information and explanation provided to us, the Company had no transactions during the period covered under the Audit requiring the compliance of the provisions of:

(a) Foreign Direct Investment and Overseas Direct Investment;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, 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 meeting.

Majority decision is carried through and recorded as part of the minutes. There were no dissenting members' views required to be captured in the minutes.

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

We further report that the following specific events / actions had/ shall have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

i. The Company raised funds during the financial year through Private Placement of Rated, Secured, Redeemable Non-Convertible Debentures amounting to ₹1,050 crores. The aforesaid borrowings by the Company were within the overall limits approved by the shareholders of the company under Section 180[1(c)] of Companies Act, 2013.

For KSR & Co Company Secretaries LLP
Dr .C. V. Madhusudhanan,
Partner
FCS:5367; CP:4408
UDIN: F005367D000338964

Date: 18th May 2022
Place: Coimbatore

ANNEXURE VII

ADDITIONAL DISCLOSURES W.R.T. ESOS 2016

(i) Employee wise details of options granted/ Restored from Lapsed options to –

a) Senior Managerial Personnel of Manappuram Finance Limited - **Nil**

b) Senior managerial personnel of Subsidiary - Manappuram Insurance Brokers Limited/ Asirvad Micro Finance Limited/ Manappuram Home Finance Limited/ Manappuram Comptech and Consultants Limited - **Nil**

(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during the year – Nil

(iii) Identified employee who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: -Nil

(iv) Number of shares arising as a result of exercise of options - 30000

Money realized by exercise of options under ESOS 2016 during the FY 2021-22: ₹3.70 Million

(v) Disclosure of Weighted average exercise price and Weighted average fair value is not applicable as there is only one exercise price.

(vi) Options Vested during the year -30,000

ANNEXURE VIII

Remuneration as Required Under Section 197 (12) of the Companies Act, 2013 Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details Pertaining to Remuneration as Required Under Section 197 (12) of the Companies Act, 2013 Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer, and Company Secretary during the financial 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl No.	Name of Director/ KMP and designation	% Increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/KMP/to median remuneration of employees
1.	Mr. V P Nandakumar (MD & CEO)	10.20	677
2.	Mr. B N Raveendra Babu (Director)	NA	NA
3.	Mr. Jagdish Capoor*	(64.26)	6.48
4.	Mr. Shailesh J Mehta (Chairperson) **	33.60	28.60
5.	Mr. P Manomohanan (Director)	(13.64)	13.46
6.	Adv. V R Ramachandran (Director)	7.23	16.25
7.	Ms. Sutapa Banerjee (Director)	21.02	16.85
8.	Mr. Abhijit Sen (Director)	13.56	20.19
9.	Mr. Harshan Kollara (Director)	37.99%	17.72
10.	Mr. Gautam Ravi Narayan (Director)	NA	NA
11.	Mr. S R Balasubramanian (Director) ***	NA	9.08
12.	Ms. Bindu A L (CFO)	(27.38)	44
13.	Mr. Manoj Kumar V R (CS)	9.96	17

** Mr. Jagdish Capoor (DIN: 00002516) stepped down as Director of the Board of the Company with effect from October 18, 2021*

*** Mr. Shailesh J Mehta (DIN: 01633893) has been re-designated as Chairperson of the Company with effect from November 13, 2021*

**** Mr. S R Balasubramanian (DIN: 03200547) was appointed as an Additional Director on the Board meeting held on June 28, 2021 and thereafter appointed as Non-Executive Director at the 29th Annual General Meeting of the Company held on September 10, 2021.*

i. The median remuneration of employees of the Company during the financial year 2021-22 was ₹0.26 million.

ii. In the financial year, there was an increase of 6% in the median remuneration of employees.

iii. There were 27,564 permanent employees on the rolls of Company as on 31st March, 2022

iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e., 2021-22 was 30.88% whereas the increase in the managerial remuneration for the same financial year was 16.16%.

v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, and other Employees

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FINANCIAL YEAR 2021-22

Sl. no	Employee Name	Designation	Educational Qualification	Age	Nature of Employment	% of equity shares held by the employee in the Company	Experience (Years)	Date of Joining	Gross Remu-neration paid (₹ in million)	Previous Employment and designation	Whether employee is a relative of any director or manager of the company
1.	V.P. Nandakumar (MD & CEO)	MD & CEO	M.sc CAIIB (Part-I), PGDFT (IIFT)	68	MD &CEO	28.86%	28.73	15/07/1992	175.63	Officer, Nedungadi Bank	No
2.	K SENTHIL KUMAR	Executive Vice President	MBA	51	CEO - Vehicle and Equipment Finance	Nil	8.4	02/06/2014	15.84	Fullerton India Credit Company Limited Head ABF business	No
3.	BINDU.A.L.	Executive Vice President	Chartered Accountant	48	Chief Financial Officer	0.01%	24	15/06/1998	11.4	Mohandas & Associates Chartered Accountants, Audit Assistant	No
4.	RAJU.N	Senior Vice President	Chartered Accountant	42	Senior Vice President- Analytics and Business Review	Nil	17.5	15/12/2004	9.16	C Seshadri Nandan FCA, Audit Assistant	No
5.	K SENTHIL KUMAR	VICE PRESIDENT	MBA	50	HEAD CREDIT-VEF	Nil	2.7	08/11/2019	6.49	National Credit Head – Magma Fincorp Ltd	No
6.	KAMAL. P. PARMAR	GENERAL MANAGER	MBA	51	HOD- VEF	Nil	7.76	21/10/2014	6.32	Regional Collection Manager - Fullerton India Credit Company Ltd.	No
7.	DHIRAJ AGRAWAL	SENIOR VICE PRESIDENT	PGDBM - BSC	50	CEO-TWO-WHEELER FINANCE	0.000018%	5.4	20/02/2017	5.51	He has 20 years of Experience in Two-Wheeler Industry. His last assignment was with Home Credit India Pvt Ltd as Vice President-Product Management (Two-Wheeler/ New Products). He has also worked with Bussan Auto Finance India Pvt. Ltd., CitiFinancial Consumer Finance India Ltd., TVS Motor Company and Kinetic Engineering Ltd	No
8.	NITIN KOHLI	GENERAL MANAGER	MBA	44	ZONAL BUSINESS HEAD	Nil	7.7	17/10/2014	5.23		No
9.	DIGBIJAY BANDYOPADHYAY	VICE PRESIDENT	MBA	45	BUSINESS HEAD - CV & CE	0.000023%	4.9	31/08/2017	5.11		No
10.	MANOJ KUMAR V R	VICE PRESIDENT	COMPANY SECRATERY (CS), MBA	48	COMPANY SECRATERY	0.000590%	3.6	01/12/2018	4.47	MANAPPURAM BENEFIT FUND LIMITED- COMPANY SECRETARY	No

* Dhiraj Agrawal resigned with effect from 16.03.2022

EMPLOYEES DRAWING A REMUNERATION OF 10.2 MILLION OR ABOVE PER ANNUM DURING THE FINANCIAL YEAR 2021-22

Sl. no	Employee Name	Designation	Educational Qualification	Age	Nature of Employment	% of equity shares held by the employee in the Company	Experience (Years)	Date of Joining	Gross Remuneration paid (₹ in million)	Previous Employment and designation	Whether employee is a relative of any director or manager of the company
1.	V.P. Nandakumar (MD & CEO)	MD & CEO	M.sc CAIIB (Part-I), PGDFT (IIFT)	68	MD &CEO	28.86%	28.73	15/07/1992	175.63	Officer, Nedungadi Bank	No
2.	K SENTHIL KUMAR	Executive Vice President	MBA	51	CEO - Vehicle and Equipment Finance	Nil	8.4	02/06/2014	15.84	Fullerton India Credit Company Limited Head ABF business	No
3.	BINDU.A.L.	Executive Vice President	Chartered Accountant	48	Chief Financial Officer	0.01%	24	15/06/1998	11.4	Mohandas & Associates Chartered Accountants, Audit Assistant	No

EMPLOYEES DRAWING A REMUNERATION OF 0.85 MILLION OR ABOVE PER MONTH FOR PART OF THE FINANCIAL YEAR 2021-22

There were no employees who were drawing remuneration in excess of 0.85 million and was employed only for part of the Financial Year 2021-22

ANNEXURE IX

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members,
Manappuram Finance Limited,
IV/470A (Old), W638A (New),
Manappuram House,
Valapad, Thrissur,
Kerala – 680 567

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Manappuram Finance Limited** (CIN: L65910KL1992PLC006623) (the Company) for the year ended 31st March, 2022, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility
The compliance of conditions of Corporate Governance is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Our Responsibility
Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion
In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 as applicable.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

Sd/-
Dr. C.V. Madhusudhanan
Partner
FCS: 5367; CP:4408
UDIN: F005367D000339173

Place: Coimbatore
Date: 18th May 2022

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good governance practices, internal control systems, transparent operational activities and proper risk management system are essential for sustainable business. Your Company focuses on enhancement of long-term shareholder value without compromising on ethical standards, corporate social and business responsibilities. Your Company believes that its business plans should be consistent with the above objective leading to sustained corporate growth and long-term benefit to all. Your Company follows this principle meticulously in all its business dealings and decisions.

Your Company is in compliance with the requirements of corporate governance, as applicable, specified in regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and the Companies Act, 2013 (amended as on date). The Company is also in compliance with the Corporate Governance and Disclosure norms for NBFCs issued by Reserve Bank of India vide Chapter XI of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Direction, 2016").

Your Company has adopted Manappuram Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report Trading by Insiders and also adopted Internal Guidelines on Corporate Governance in compliance with RBI Master Direction, 2016. These codes are available in the Company website - https://www.manappuram.com/policies-codes.html.

BOARD OF DIRECTORS

A. Composition of the Board

Your Company has formulated Board Diversity Policy to have a competent and highly professional team of Board members. There are ten Directors on the Board of the Company having diverse experience and expertise in their respective areas. The composition of the Board meets the criteria as prescribed in SEBI (LODR) Regulations, 2015, and Companies Act, 2013. This composition also fulfils the norms prescribed by Reserve Bank of India in this regard. As on 31 March, 2022 out of the (10) ten Directors, (1) One is an Executive Director, (3) Three are Non-Independent Non-Executive Directors and (6) Six are Independent Directors. Out of (6) Six Independent Directors (1) One Independent Director is a woman director.

Policy on Board Composition and Compensation is in place for ascertaining the fit and proper criteria of the Directors at the time of appointment and on a continuing basis. The policy on the fit and proper criteria is in line with RBI Master Direction, 2016 and all existing Directors are fit and proper to continue to hold the appointment as a Director in the Board.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director as per disclosures regarding Committee positions in other public companies made by the Directors during the year under review. None of the Directors are related to each other.

None of the Independent Directors of the Company hold independent directorship in more than seven listed companies and none of them serving as a whole time Director in any listed company.

During the year, separate meetings of Independent Directors of the Company were held on 19th October 2021 and 22nd March, 2022 respectively and all the Independent Directors were present in the meeting. The Independent Directors, inter- alia, reviewed the performance of non-independent Directors, Chairman of the Company and the Board as a whole.

B. Meetings & attendance

During the Financial Year 2021-22 the Board met on (10) Ten occasions viz. 07th May, 2021, 26th May, 2021, 28th June, 2021, 10th August, 2021, 26th August, 2021, 13th November 2021, 14th February, 2022, 02nd March, 2022, 17th March, 2022 and 26th March, 2022.

The details of participation in the meetings and other relevant information are given in the below statement.

Name & Category of Director	Category of Directors	No. of Board Meetings attended	Whether attended the last AGM	Details of membership in Committees of the Board*		Shareholding of Non-Executive Directors	Number of Directorships in Companies**	
				Member	Chairman		Chairman	Member
Mr. Jagdish Capoor, Chairman***	Independent, Non-Executive	5	Yes	1	NA	2000	NA	1
Mr. V.P. Nandakumar, Managing Director & CEO	Non-Independent, Executive	10	Yes	3	0	NA	0	1
Mr. B.N. Raveendra Babu	Non-Independent, Non-Executive	10	Yes	1	0	14,17, 236	0	1
Adv. V.R. Ramachandran	Independent, Non-Executive	9	Yes	1	1	6,60,000	0	1
Mr. P. Manomohanan	Independent, Non-Executive	7	Yes	2	0	7,93,582	0	1
Mr. Gautam Ravi Narayan	Non-Independent, Non-Executive	10	Yes	1	0	0	0	1
Ms. Sutapa Banerjee	Independent, Non-Executive	9	Yes	7	1	0	0	6
Mr. Abhijit Sen	Independent, Non-Executive	10	Yes	3	4	0	0	4
Mr. Harshan Kollara	Independent, Non-Executive	10	Yes	1	0	0	0	1
Mr.Shailesh J Mehta****	Independent Non -Executive	10	Yes	2	1	500,000	1	2
Mr. S R Balasubramanian*****	Non-Independent, Non-Executive	6	Yes	0	0	0	0	1

** As required by Clause 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures include Membership/ Chairpersonship of Audit Committee and Stakeholders Relationship Committee of Companies including Manappuram Finance Limited only are shown.*

*** Only Listed Companies including Manappuram Finance Limited are shown.*

**** Mr. Jagdish Capoor stepped down as Director of the Board of the Company with effect from October 18, 2021*

***** Mr. Shailesh J Mehta (DIN: 01633893) has been re-designated as Chairperson of the Company with effect from November 13, 2021*

****** Mr. S R Balasubramanian (DIN: 03200547) was appointed as an Additional Director on the Board on June 28, 2021 and thereafter appointed as Non-Executive Director at the 29th Annual General Meeting of the Company with effect from September 10, 2021.*

There is no relationship between Directors inter-se.

The names of the listed entities where the person is a director and the category of directorship other than Manappuram Finance Limited

Ms. Sutapa Banerjee		Mr. Abhijit Sen		Mr. Shailesh J Mehta	
Company	Category	Company	Category	Company	Category
Polycab India Limited	Independent, Non-Executive	Kalyani Forge Limited	Independent, Non-Executive	Safari Industries (India) Limited	Independent, Non-Executive
JSW Holdings Limited	Independent, Non-Executive	Ugro Capital Limited	Independent, Non-Executive	Aptus Value Housing Finance India Limited	Non-Executive Non-Independent

Ms. Sutapa Banerjee		Mr. Abhijit Sen		Mr. Shailesh J Mehta	
Company	**Category**	**Company**	**Category**	**Company**	**Category**
Camlin Fine Sciences Limited	Independent, Non-Executive	TATA Investment Corporation Limited	Independent, Non-Executive		
Godrej Properties Limited	Independent, Non-Executive				
Zomato Limited	Independent, Non-Executive				

C. Change in the Board of directors during FY 2021-2022

Mr. S R Balasubramanian (DIN: 03200547) was appointed as an Additional Director on the Board meeting held on June 28, 2021 and thereafter appointed as Non-Executive Director at the 29th Annual General Meeting of the Company held on September 10, 2021.

Mr. Jagdish Capoor (DIN: 00002516) stepped down as Director of the Board of the Company with effect from October 18, 2021

Mr. Shailesh J Mehta (DIN: 01633893) has been re-designated as Chairperson of the Company with effect from November 13, 2021

There were no other changes in Directors or Key Managerial Personnel during the FY 2021-22.

D. Information provided to the Board Members

The Board agenda with proper explanatory notes is prepared and circulated well in advance to all the Board Members. All statutory and other matters of significant importance including information as mentioned in Section 179 of the Companies Act, 2013 and Regulation 17 read with Part A of Schedule II of the SEBI (LODR) Regulations, 2015 are tabled before the Board of Directors to enable them to discharge their responsibility of strategic supervision of the Company.

The Board periodically reviews the statement submitted by the unlisted subsidiaries on all significant transactions and arrangements entered into by it during that period. The Board also reviews periodical compliances of all applicable laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions were taken only after detailed deliberations.

COMMITTEES OF THE BOARD

The Board has constituted Sub-Committees of the Board. Each Committee of the Board functions according to the terms of reference as approved by the Board. Meeting of each Sub-Committee is convened by the respective Committees' Chairman. The composition and terms of reference of these sub-committees including the number of meetings held during the financial year and the related attendance are given below:

A. Audit Committee

The Company has constituted a qualified and independent Audit Committee as required under Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI (LODR) Regulations, 2015. The Committee also fulfils the provisions of RBI Master Direction, 2016. The Committee has Six members eminently qualified to handle accounts, finance, audit and legal matters. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met (6) Six times during FY 2021-22 viz. 25th May, 2021, 28th June, 2021, 09th August, 2021, 12th November, 2021, 12th February, 2022 and 17th March, 2022. The constitution, record of attendance of meetings and other details of the Audit Committee of the Company are below:

Composition, Meetings and Attendance as on 31 March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Mr. Abhijit Sen	Chairman	Independent Director	6	6
2	Mr. Gautam Ravi Narayan	Member	Non-Executive, Non-Independent Director	6	6
3	Mr. Harshan Kollara	Member	Independent Director	6	6
4	Mr. P.Manomohanan	Member	Independent Director	6	4
5	Mr. Shailesh J Mehta	Member	Independent Director	6	6
6	Ms. Sutapa Banerjee	Member	Independent Director	6	6

Terms of Reference:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
   a) Matters required to be included in the Directors Responsibility Statement to be included in the board's report in terms of clause© of Sub-section 3 of section134 of the Companies Act, 2013.
   b) Changes if any in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by management.
   d) Significant adjustment made in the financial statement arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to the financial statements.
   f) Disclosure of any related party transactions.
   g) Qualifications in the draft audit report.
5. Reviewing with the management the quarterly financial statements before submission to the board for approval.
6. 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;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management performance of the statutory and internal auditors and adequacy of the internal control system.
13. Reviewing the adequacy of internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors regarding any significant findings and follow-up thereon.
15. 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.
16. Discussion with statutory auditors before audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payments to the depositors, debenture - holders, shareholders (in case of non-payment of declared dividends) and creditors.
18 To review the function of whistle blower mechanism in case the same exists.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Monitoring the end use of funds raised through public offers and related matters.
21. Carrying out any other function as mentioned in the terms of reference of audit committee.
22. 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 existing as on the date of coming into force of this provision.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. Nomination, Compensation & Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee of the Company was constituted to oversee the compliance with the Reserve Bank of India's Circular No. DNBS/PD/CC/94/03.10.042/2006-07 dated 8 May, 2007 to ensure that eminent and experienced persons are appointed as directors. The Committee was reconstituted on 23 December, 2014. The Committee also meets the requirements of Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (LODR) Regulations, 2015 and RBI Master Direction, 2016.

The Committee met (5) five times during FY 2021-22 viz. 06th May, 2021, 18th June, 2021, 13th November, 2021, 14th February, 2022 and 17th March, 2022.

Composition, Meetings, and Attendance during the FY ended 31st March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Mr. Harshan Kollara*	Chairman	Independent, Non-Executive	5	2
2	Dr. Shailesh J Mehta**	Member	Independent, Non-Executive	5	5
3	Ms. Sutapa Banerjee	Member	Independent, Non-Executive	5	5
4	Mr. Gautam Ravi Narayan	Member	Non-Independent, Non-Executive	5	5
5	Mr. Jagdish Capoor***	Member	Independent, Non-Executive	5	2

**Mr. Harshan Kollara was inducted into the Nomination, Compensation and Corporate Governance Committee as the Chairman with effect from 13th November 2021.*

***Dr. Shailesh J Mehta was re-designated as member of Nomination, Compensation and Corporate Governance Committee with effect from 13th November 2021.*

**** Jagdish Capoor ceased to be member of the committee with effect from 18th October, 2021*

Terms of Reference of Nomination, Compensation and Corporate Governance Committee

Considering the statutory provisions under Section 178 of the Companies Act, 2013, provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations,2015 and the guidelines issued by the Reserve Bank of India on Corporate Governance of NBFCs, the role and responsibilities of the committee can be classified into three broader categories such as;

I. of nomination

II. of fixation of remuneration and performance evaluation

III. of Governance.

The committee shall effectively discharge its roles and responsibilities in the following manner:

I. Role of Nomination:

a) The Committee shall put in place a broader policy describing the qualification, experience and other positive attributes for selection of Executive/whole time directors including their age of retirement.

b) The committee shall formulate and put in place guiding principles to determine the qualities, qualifications, and the parameters to determine the 'fit and proper' criteria for appointment of independent Directors keeping in mind the diversity quotient the company's board shall maintain from time to time and subject to the applicable regulatory requirements.

c) Filling in a timely manner vacancy on the board of the company including the position of executive/whole time directors.

d) Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the board and recommend to the board for their appointment and removal thereof.

II. Role of Fixing Remuneration and Evaluation of performance.

a. The committee shall formulate and recommend to the Board of Directors of the Company for its approval a policy relating to the remuneration for the Directors, Key managerial Personnel, Senior Management* and other employees from time to time.

b. The policy as aforesaid shall be formulated to ensure that-

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;

c. The committee shall review the performance of individual directors of the company on a yearly basis at the end of each financial year or at such periodicity as the committee deem fit and recommend to the board on the basis of such review, whether a director to be recommended for re- appointment or not.

d. The committee shall review the performance of the Executive/Whole time Directors of the company and fix suitable compensation packages in consideration of their performance, contributions, the general business environment in which the company operates and financial position of the company. The remuneration package may be a combination of fixed and performance based bonus/incentives for the period under review.

e. The committee shall along with the management review the performance of Key managerial personnel and senior management persons on a periodical basis and fix their remuneration packages in accordance with the policies approved by the Board. The period of gap between two such reviews shall not elapse fifteen months.

4. As per SEBI (LODR)Regulations,2018 (Amendment Regulations) dated May 9,2018, the additional responsibilities entrusted with Nomination Compensation and corporate Governance Committee with effect from 1st April 2019 are as follows: -

1. NRC shall revisit the list of Senior Management to assess the additions to the list.
2. NRC shall recommend remuneration of Senior Management to the Board
3. Formulating Succession Planning for Senior management.
4. Review and affirm the senior management shall abide by the code of conduct on an annual basis.
5. Senior Management shall make disclosure to the Board relating to all material, Financial and Commercial transactions, where they have a personal interest that may have a potential conflict with the interest of the Company at a large.

**For the purpose of this Code the term "Senior Management" shall mean and include Chief Financial Officer, Head - Analytics and Business Review, Company Secretary, Vice President - Compliance, Chief Risk Officer, Head - Information Technology Department, Head - Human Resource Department, Head - Internal Audit Department, and Chief Executive Officers - Vehicle Finance and Two-Wheeler Finance Divisions.*

III. Role on ensuring Compliance on governance standards.

a. The committee shall ensure that at all times, the board of the company has a fair combination of independent, non-executive and executive directors meeting the governance standards set by the board and in compliance with regulatory requirements, SEBI (LODR) Regulations, 2015 etc. prevailing from time to time.

b. Ensure that the organization structure and flow of command meets the governance standard set for the internal management of the company.

c. The committee may evaluate and put in place proper mechanism for refreshment trainings for directors on relevant subject.

d. The committee shall evaluate and put in place a proper mechanism to ensure that the independence of independent directors are always maintained and to ensure that there are no situations which suggest the existence of circumstances resulting in the loss of independence of any directors of the company.

e. The committee shall put in place subject to the provisions of applicable laws, policies and procedure for determining the retirement and re-appointment of independent and other directors on the board of the company.

f. Committee shall ensure that at all times the sub committees of the Board is functioning and are constituted according to the regulatory requirement and governance policies of the company.

g. The committee shall oversee the overall governance standards and policies of the company and delegation of authorities to match with the best practices in relation to the size of the company and the level of its operations to protect the interest of all stake holders.

Other Powers

In addition to what is stated above, the Committee shall discharge such other functions as may be delegated to it by the Board or prescribed under any law, rules, regulations or orders or directions of any statutory or regulatory body including stock exchanges where the securities of the company are listed.

Disclosures with respect to Remuneration

Independent, Non-Executive Directors

(₹ In Million)

SL No	Name	Commission	Sitting fee	ESOS
1	Mr. Jagdish Capoor*	1.400	0.280	0
2	Mr. Shailesh J Mehta**	6.500	0.915	0
3	Mr. P Manomohanan	2.800	0.689	0
4	Mr. V R Ramachandran	3.500	0.714	0
5	Ms. Sutapa Banerjee	3.500	0.869	0
6	Mr. Abhijit Sen	4.400	0.835	0
7	Mr. Harshan Kollara	3.800	0.795	0
8	Mr. S.R. Balasubramanian***	2.100	0.255	0

** Mr. Jagdish Capoor (DIN: 00002516) stepped down as Director of the Board of the Company with effect from October 18, 2021*

*** Mr. Shailesh J Mehta (DIN: 01633893) has been re-designated as Chairperson of the Company with effect from November 13, 2021*

**** Mr. S R Balasubramanian (DIN: 03200547) was appointed as an Additional Director on the Board meeting held on June 28, 2021 and thereafter appointed as Non-Executive Director at the 29th Annual General Meeting of the Company held on September 10, 2021.*

Non-Independent, Executive Directors

(₹ In Million)

Sl No.	Name	Salary	Commission	Benefits/Provident Fund	Perquisites	Bonus	Sitting Fee	ESOS (no. of options)
1	Mr. V.P Nandakumar	85.00	80.00	10.63	0	0	0	0

Performance Evaluation Parameter for MD & CEO

I	**Business**
	Achieving growth and profitability targets as per Board Approved Annual Business Plan of MAFIL
	Achieving growth and profitability targets as per Board Approved Business Plan of Subsidiary Co's
	Growth of Gold Loan AUM adjusted for price
II	**Technology / IT**
	Making IT a key differentiator and a competitive advantage for all business - focussing on data based customer centric approach for better service with lower costs and less time (TAT)
III	**Audit, Legal and Compliance**
	Ensuring all businesses - in MAFIL and its Subsidiaries are compliant to all Regulatory Rules, Regulations, Guidelines and Statutes - like RBI / Co's Act / SEBI / Listing Guidelines etc.
	Ensuring compliance with Co's Audit , Risk Control and Other Policies and Processes
IV	**Strategic Growth Initiatives**
	Developing and executing the strategy for future growth and competitiveness in businesses - including M&A for in-organic growth
V	**Succession Plan**
	Creating MD & CEO Succession Plan

Performance evaluation criteria for independent directors is detailed in Boards Report.

Service Contracts, Notice Period, Severance Fees: Nil

C. Stakeholders Relationship and Securities Transfer Committee

The Company has constituted Stakeholders Grievance Committee in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178(5) of the Companies Act, 2013 to monitor the securities holders and investor complaints / grievances and also to ensure quick redressal of investor complaints associated with transfer/ transmission/ dematerialization of shares, non-receipt of Balance Sheet, Dividend warrants etc. The committee was re-designated as Stakeholders Relationship Committee.

Board earlier constituted Securities Transfer Committee to comply with provisions of section 46 of Companies Act, 2013 read with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014.

In order to ease the both committees functioning, Board at its meeting held on 25th June, 2017 merged the Securities Transfer Committee into Stakeholders Relationship Committee and accordingly to comply with the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder as both Securities Transfer Committee and Stakeholders Relationship Committee have functions primarily aimed at serving security holders of the Company.

Composition, Meetings & Attendance as on 31 March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Mr. V.R. Ramachandran	Chairman	Independent, Non-Executive	4	4
2	Mr. V.P. Nandakumar	Member	Non-Independent, Executive	4	4
3	Mr. B.N. Raveendra Babu	Member	Non-Independent, Non - Executive	4	4
4	Mr. P. Manomohanan	Member	Independent, Non-Executive	4	2

Scope
Stakeholders Relationship Committee was constituted to specifically look into the redressal of shareholder and investors complaints / grievances like transfer and transmission of securities, non-receipt of annual report/ notice/ declared dividends/ interest/ redemption amount, etc. and all other securities-holders related matters.

Securities Transfer Committee normally approves transfers, transmission, etc. of securities and issues split, duplicate certificates of securities issued by the Company.

The role of the Stakeholders Relationship and Securities Transfer committee shall Inter-alia include the following
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.

Review of measures taken for effective exercise of voting rights by shareholders.

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.

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.

Name, designation and address of Compliance Officer:
Mr. Manoj Kumar V.R., Company Secretary
Manappuram Finance Limited, IV/470A(old) W638A(New) Manappuram House
P.O. Valapad, Thrissur District, Kerala, India - 680 567, Phone - 0487 3104500, 3050417 E-Mail - cosecretary@manappuram.com
Details of investor complaints received and redressed during the financial year 2021- 22 are as follows:

Sl. No.	Nature of Security	Complaints pending at the beginning of the year ended 31.03.2021	Complaints received during the year ended 31.03.2022	Complaints disposed and resolved at the end of the year 31.03.2022	Complaints unresolved at the end of the year 31.03.2022
1	Equity	0	1	1	0
2	Private placement - Retail NCD	0	0	0	0
3	Private Placement - Institutional NCD	0	0	0	0
4	Public Issue of NCDs	0	26	26	0
5	Complaints registered in SCORES	0	2	2	0
6	Subordinated Bonds	0	0	0	0

D. Corporate Social Responsibility Committee (CSR Committee)

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) in line with the provisions of Section 135 of the Companies Act, 2013 which has substantial roles and responsibilities in respect of projects to be recommended to the Board of Directors of the company and also for monitoring of the CSR projects and reporting.

A brief outline of Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board is annexed with Board's Report.

Composition, Meetings & Attendance as on 31st March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Ms. Sutapa Banerjee	Chairman	Independent, Non-Executive	5	5
2	Mr. V P Nandakumar	Member	Non-Independent, Executive	5	5
3	Adv. V R Ramachandran	Member	Independent, Non-Executive	5	5
4	Mr. Abhijit Sen	Member	Independent, Non-Executive	5	5

Role of the CSR Committee include

i. Review and recommend any new CSR initiatives to be taken up by the Company including the selection / appointment of implementation agencies.

ii. Review the progress of CSR projects already undertaken by the Company and utilization of budgets for each such projects.

iii. Review and recommend the CSR report to be included in the Board's report.

iv. Review and recommend any amendments to be made in the CSR policy of the Company.

v. Formulation and recommend to the Board an Annual Action Plan

vi. To carry such other functions as may be delegated to it by the Board relating to CSR activities of the Company.

E. Risk Management Committee (RMC)

The Company has constituted a Risk Management Committee (RMC) in line with the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015 and RBI Master Direction, 2016.

The committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, review the functioning of the Risk Management Department and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company. The RMC shall meet at least twice in a year and reports to the Board.

Composition, Meetings & Attendance as on 31st March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Mr. Abhijit Sen	Chairman	Independent, Non-Executive	5	5
2	Mr. P Manomohanan	Member	Independent, Non-executive	5	3
3	Mr. Gautam Ravi Narayan	Member	Non-Independent, Non-Executive	5	4
4	Mr. V P Nandakumar	Member	Non-Independent, Executive	5	4
5	Dr. Shailesh J Mehta	Member	Independent, Non-Executive	5	5
6	Mr. Harshan Kollara	Member	Independent, Non-Executive	5	5

Purpose and Scope of RMC & Powers

A) The purpose of the RMC reviews the risk management framework and risk appetite of the Company, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate / adequate reporting to the Board with recommendations where required. To this effect the RMC will:

(i) Oversee the development and implementation of the risk management strategy and practices by the Company and assess the effectiveness thereof.

(ii) Ensure that the Company has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible.

(iii) Call for appropriate data/ information to confirm the risk assessments of the past or projections for the future including development of any key performance or risk tolerance indicators.

(iv) Ensure that the risk management policy in force is in tune with regulatory requirements, corporate governance standards, emerging new risks and industry best practices.

(v) Review major breaches in policy.

(vi) Appraise uncovered/ residual risks to the Board.

(vii) Continuous Monitoring of the existence of Cyber security in the Company

(viii) Assess the capacity of the Company to withstand major 'shocks', financial or otherwise, caused by market forces, regulatory directives, environment, any other external factors or internal upheavals.

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

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

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

c) Business continuity plan.

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

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

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

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

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

(xv) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors."

B) The RMC shall be empowered to call for any studies, information, data or analyses in matters pertaining to management of risk from the officers of the Company, issue orders for investigation on any risk related subject including constitution of any sub-committee for such purpose and seek the opinions or reports of independent experts/ professionals where considered desirable or essential.

C) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

F. Asset- Liability Management Committee (ALCO)

The Company has constituted Asset- Liability Management Committee (ALCO) in line with provisions of RBI Master Direction, 2016 and Asset Liability Management (ALM) System for NBFCs – Guidelines. Reserve Bank of India has stipulated templates for reporting Structural liquidity (DNBS-4B) Dynamic Liquidity (DNBS-4A) and Interest Rate Sensitivity (DNBS-4B) and provided indicative formats for compiling the figures. ALCO will use the indicative formats for compiling the figures and the Reports on DNBS-4A and DNBS-4B for reviewing the liquidity and interest rate risk. The Member-Secretary will arrange for convening the meetings of ALCO as and when needed depending upon the necessity.

Composition, Meetings & Attendance as on 31 March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Mr. V P Nandakumar	Chairman	Non-Independent, Executive	4	4
2	Mr. Madhumohan	Member	Chief Risk Officer	4	4
3	Mrs. Bindu A L	Member - Secretary	Chief Financial Officer	4	4

Terms of Reference of Asset - Liability Management Committee (ALCO):

I. The committee shall meet once in a month and transact the following business;

a. Management of liquidity position, long term and short term.

b. Review of ALM Returns to be submitted to RBI.

c. Decision on disposal of surplus funds of the company for shorter durations (up to 6 months).

d. Pricing of the products of the company depending upon the cost and benefit analysis both on the asset side and liability side of the balance sheet.

e. Notwithstanding anything stated herein above, the committee shall consider and discharge such other functions as may be necessary for the day to day management of the company or such other functions as may be directed by RBI from time to time.

II. CEO of the company shall act as the chairman of the committee and in his absence any other member shall act as the Chairman of the committee and shall chair the meeting.

III. The committee shall have power to invite such other officers or employees of the company as and when required.

IV. The committee shall function under the overall supervision of the Risk management committee constituted under RBI Directives.

V. CFO shall act as the member secretary of the committee.

Discussion paper covering the following areas will be deliberated by ALCO namely;

- Liquidity risk management
- Management of market risk
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analyzing 'What if scenario' and preparation of contingency plans

G. Financial Resource & Management Committee

The Financial Resource and Management Committee has been constituted by the Board of Directors to facilitate the day to day management of the Company.

Composition of Committee as on 31st March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Mr. V P Nandakumar	Chairman	Non-Independent, Executive	13	13
2	Mr. B N Raveendra Babu	Member	Non-Independent, Non - Executive	13	3
3	Mr. P Manomohanan	Member	Independent, Non-Executive	13	13
4	Mr. V R Ramachandran	Member	Independent, Non-Executive	13	13

a) The committee shall meet as and when it becomes necessary to consider urgent matters coming up between two board meetings and requiring Board's sanction.

b) The quorum for the meeting of the committee shall be 2 members.

The committee's function is to oversee and deal with the following operational matters from time to time

Functions and Duties

The committee shall be responsible for overseeing and dealing with operational matters from time to time. Such matters include: -

(i) Investments

(A) To deliberate and make recommendation to the Board on all transactions and matters relating to the business of the company or its investments.

(B) Dispose the short term surplus of the company in eligible short term investment instruments and securities with a maturity period of note more than one year as recommended by the ALM committee of the company or to meet any statutory obligations or cash collaterals as part of lending arrangement or as caution deposits and also to authorize officers or directors for the purpose.

(ii) Financial Arrangements

a) Approve financial arrangements whether as working capital demand loans or against assignment of receivables of the company or buy out of port folios or by such other means with banks and other financial institutions including the signing of such documents for facilities within the borrowing powers of the Board.

b) Approve the creation of any mortgage/charge or other encumbrance over the company's properties or assets for the above purposes.

c) Approve the issuing or providing or permitting the company to issue or provide any form of guarantee or indemnity or other financial or non-financial support in the ordinary course of business.

d) To consider the issue of commercial papers and other short term or long term instruments for raising funds from the market.

e) Authorize changes in signatories in respect of accounts maintained by the company with banks and other financial institutions.

f) Authorization for opening, operation and Closing of Bank Accounts in different centres for different branches.

g) Approve fully hedged foreign currency transactions, including External Commercial Borrowings, Trade Credits, Inter Corporate Deposits and Foreign currency denominated Loans with domestic and overseas banks, investor classes, corporate and other financial institutions.

h) Buyback or Re-purchase of NCDs and other Debt Securities.

i) Allotment of Debentures and Bonds: -

a) Approve the allotment of debentures and bonds including domestic and overseas fully hedged foreign currency instruments issued by the Company within in the overall limit set for the issue and the creation/modification/satisfaction of mortgage/charge on such debentures/bonds as the case may be.

b) Allotment of Shares under Employees Stock Option Schemes approved by Board from time to time.

j) Others:

a) Authorizing officers of the company for making necessary application for registration under different enactments for employee welfare, fiscal and other municipal or local or subordinate legislations.

b) Authorizing officers of the company by grant of power of attorneys or by resolution so as to represent before Government, Judicial or quasi - judicial bodies or other authorities for sanction, approval or other permissions on such matters affecting the business of the company.

c) Authorizing officers of the company by grant of power of attorneys or by way of resolution for matters in connection with day to day business activities, opening of branches, execution of rent/ tenancy agreements, represent the company before any statutory or regulatory bodies.

Reporting to the Board

A summary of the business transacted by the committee as initialled by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

H. Debenture Committee

The Debenture Committee has been constituted by the Board of Directors for public Issuance of debentures of the Company.

Composition of Committee as on 31st March, 2022

Sl. No	Name of the Member	Position	Category of Directors	Number of Meetings during the financial year 2021 -22	
				Held	Attended
1	Mr. V P Nandakumar	Chairman	Non-Independent, Executive	NIL	
2	Mr. B N Raveendra Babu	Member	Non-Independent, Non - Executive		
3	Ms. Bindu A L	Member	Chief Financial Officer		
4	Mr. Manoj Kumar VR	Member	Company Secretary		

The functions of the Debenture Committee include:

(i) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of the Bonds;

(ii) giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;

(iii) appointing the lead managers to the issue in accordance with the provisions of the Debt Regulations;

(iv) seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Bonds;

(v) deciding, approving, modifying or altering the pricing and terms of the Bonds, and all other related matters, including the determination of the size of the Bond issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue;

(vi) approval of the draft and final prospectus or disclosure document as the case may be (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines;

(vii) seeking the listing of the Bonds on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;

(viii) appointing the registrar and other intermediaries to the Issue, in accordance with the provisions of the Debt Regulations;

(ix) finalization of and arrangement for the submission of the draft prospectus to be submitted to the Stock Exchange(s) for receiving comments from the public and the prospectus to be filed with the Stock Exchange(s), and any corrigendum, amendments supplements thereto;

(x) appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the Debt Regulations;

(xi) authorization of the maintenance of a register of holders of the Bonds;

(xii) finalization of the basis of allotment of the Bonds including in the event of over-subscription;

(xiii) finalization of the allotment of the Bonds on the basis of the applications received; (xiv)acceptance and appropriation of the proceeds of the Issue; and

(xiv) to generally do any other act and/or deed, to negotiate and execute any document/s, application/s, agreement/s, undertaking/s, deed/s, affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Company are given below:

Year	Date	Time & Place	Special Resolutions Passed
2021	10th September	Audio-visual means at 10.00 A.M.	NIL
2020	28th August	Audio-visual means at 11.00 A.M	Appointment of Mr. Shailesh Jayantilal Mehta (DIN: 01633893) as an Independent Non-Executive Director
			Approval for amending the Incidental Objects in the Memorandum of Association
			Approval to borrow in excess of the paid-up share capital and free reserves and securities premium of the Company under Section 180(1)(c) of the Companies Act, 2013
			Approval to create charge/mortgage over the properties of the Company for the purpose of borrowing in the terms of Section 180(1)(a) of the Companies Act, 2013.
2019	27th August	Latha Convention Centre, Valapad Thrissur, Kerala - 680 567 at 11.00 am	To appoint a director in place of Mr. E. A. Kshirsagar (DIN: 00121824), who retires by rotation, and being eligible, offered himself for reappointment.
			Revision of remuneration by way of increment and variation in the terms of appointment of Mr. V. P. Nandakumar, Managing Director & CEO (DIN: 00044512)
			Approval to borrow in excess of the paid-up share capital and free reserves of the Company under Section 180(1)(c) of the Companies Act, 2013
			Approval to create charge/mortgage over the properties of the Company for the purpose of borrowing in the terms of Section 180(1)(a) of the Companies Act, 2013

No Extraordinary General Meeting held during the financial year 2021-22

No resolutions were passed vide Postal Ballot during the financial year 2021-22. No special resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

The Company publishes the un-audited/ audited financial results on quarterly basis in accordance with the provisions of SEBI (LODR) Regulations, 2015.

The financial results in the prescribed format are published in leading newspapers including Business Line, Mathrubhumi/ Malayala Manorama etc. Other major announcements pertaining to Board Meetings, General Meetings/Postal ballot etc. are also published as above. The Company has its website at www.manappuram.com where in relevant information about the Company and its performance including board approved policies / code are given. The financial results of the Company are also posted on its website. Detailed presentations made to institutional investors / analysts on overall performance of the Company are also posted in its website on a quarterly basis for the benefit of investors and other stake holders.

All information/communication for shareholders are duly filed with National Stock Exchange and BSE Limited and the same are posted in the Company's website.

GENERAL SHAREHOLDER INFORMATION

Financial Year	2021-22
Dividend Payment Date	NA (No final dividend recommended by the Board)
Listing on Stock Exchanges	BSE Limited (BSE) 25th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400 051
Stock Code	BSE-531213 NSE- MANAPPURAM
Corporate Identity Number (CIN)	L65910KL1992PLC006623
Registrar and Share Transfer Agents	SKDC Consultants Limited (a Subsidiary of Link Intime India Pvt Ltd) "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, TN, India | Phone: +91 422 4958995, 2539835/ 836 | Mobile # Fax: +91 422 2539837 | Email: info@skdc-consultants.com | www.skdc-consultants.com
Compliance Officer	Mr. Manoj Kumar V R, Company Secretary Ph: 0487-3050408/417/413 Email: cosecretary@manappuram.com
Company Address	Manappuram Finance Limited IV/470A (OLD) W 638A (NEW) Manappuram House Valapad P.O., Thrissur - 680 567, Kerala Phone: 0487- 3050108, 3050000. Fax 0487- 2399298 Email: mail@manappuram.com

PAYMENT OF LISTING FEES

Annual listing fee for FY 2021-22 has been paid by the Company to BSE and NSE.

PAYMENT OF DEPOSITORY FEES

Annual Custody/ Issuer fee for FY 2021-22 has been paid by the Company to NSDL and CDSL.

STOCK MARKET PRICE DATA - HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR:

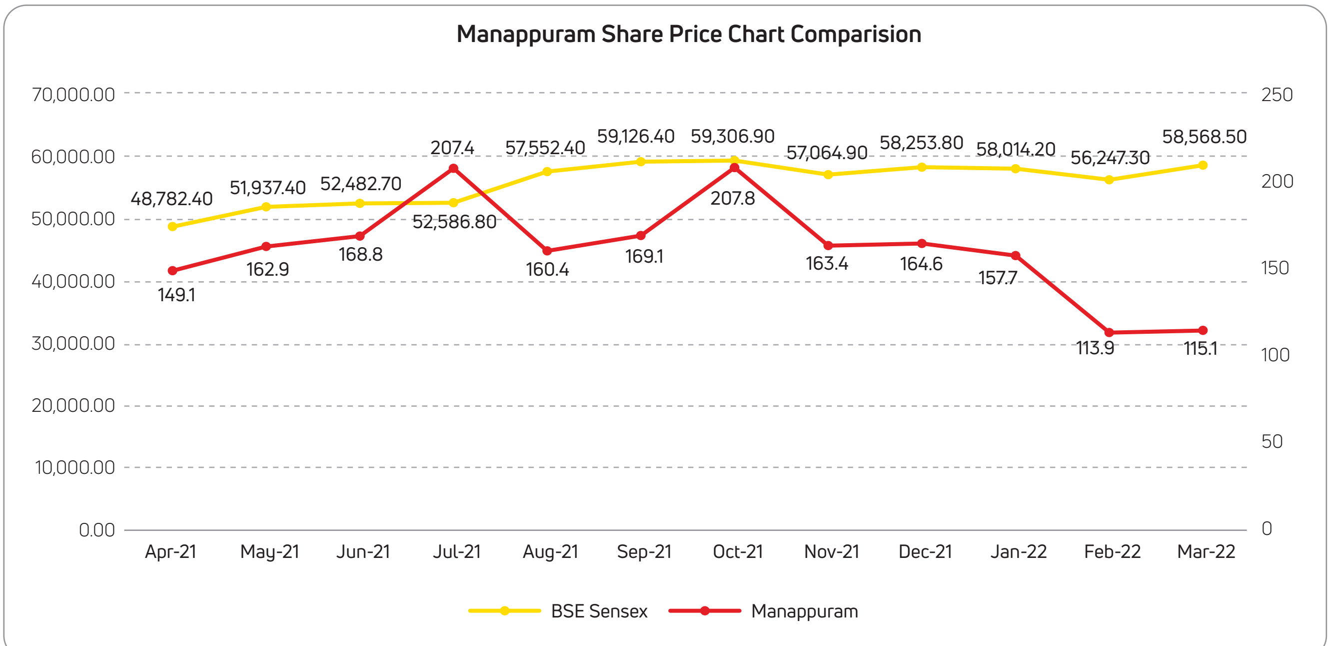
Share Price Movements of the Company on NSE during each month of FY 2021-22

Month	Close	Open	High	Low
Apr-21	149.3	147	153.55	145.2
May-21	162.8	157.5	163.35	156.4
Jun-21	168.8	165.15	171.2	162.65
Jul-20	207.3	210.5	218	206.05
Aug-21	160.3	161.55	162.4	159.45
Sep-21	169.25	173.9	173.95	168.7
Oct-21	208.05	199.5	210.6	195
Nov-21	163.55	164.7	169.65	162.5
Dec-21	164.6	163	166.4	162.45
Jan-22	157.85	159	160.25	157.15
Feb-22	113.95	114.3	115	111.8
Mar-22	113.6	115.8	115.8	113.3

Share Price Movements of the Company on BSE during each month of FY 2021-22

Month	Close	Open	High	Low
Apr-21	149.05	146	153.6	145.1
May-21	162.9	157	163.5	156.35
Jun-21	168.75	164.35	171.2	162.8
Jul-21	207.35	210	218	206
Aug-21	160.4	161.85	162.45	159.4
Sep-21	169.15	172.75	173.65	168.55
Oct-21	207.8	200.6	210.7	195
Nov-21	163.45	166	169.65	162.5
Dec-21	164.6	162.55	166.4	162.3
Jan-22	157.7	160	160.2	157.05
Feb-22	113.95	113	115	111.75
Mar-22	113.55	115	115.35	113.25

SHARE PERFORMANCE V/S BSE SENSEX AND CNX NIFTY

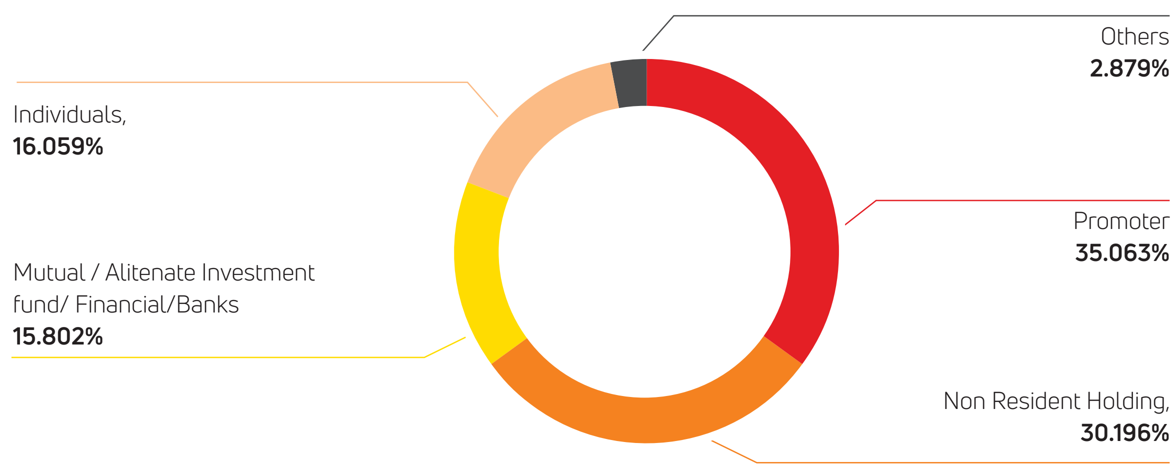


List of Top 10 Shareholders as on 31st March 2022

SR. No.	Name	Category	31/03/2022		Number of Shares in Demat Form
			Shares	%	
1	V P Nandakumar	Directors	244277671	28.861	244277671
2	Quinag Acquisition (FPI) LTD	Foreign Portfolio Investors (Corporate)	83785880	9.8991	83785880
3	DSP Mutual Funds (Under Various Schemes)	Mutual Funds	60247570	7.1181	60247570
4	Sushama Nandakumar	Relative of Director	48001078	5.6711	48001078

SR. No.	Name	Category	31/03/2022		Number of Shares in Demat Form
			Shares	%	
5	Fidelity Investment Trust Fidelity series Emerging Markets Opportunitu Fund	Foreign Portfolio Investors (Corporate)	30717187	3.6292	30717187
6	SBI Mutual Fund	Mutual Funds	19734367	2.3316	19734367
7	Baring India Private Equity Fund III Listed Investments Limited	Foreign Portfolio Investors (Corporate)	16521482	1.952	16521482
8	Barclays Merchant Bank (Singapore) Limted - ODI	Foreign Portfolio Investors (Corporate)	15888158	1.8772	15888158
9	Nippon Life India Trustee Ltd-Mutual Fund (Under Various Schemes)	Mutual Funds	12719702	1.5028	12719702
10	Baring India Private Equity fund II Limited	Foreign Portfolio Investors (Corporate)	10910649	1.2891	10910649

Distribution of Shareholding (%)



SHARE TRANSFER SYSTEM

The Stakeholders Relationship and Securities Transfer Committee meets as and when required to, interalia consider issue of duplicate share certificates in lieu of original share certificates reported as lost/stolen/misplaced by the shareholders of the Company .In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI

Distribution of shareholding as on 31st March, 2022

(1)	(2)	(3)	(4)	(5)
Shareholding of nominal ₹	**Number of Shareholders**	**Percentage of Total**	**Share Amount ₹**	**Percentage of total**
Up to 5,000	347807	97.8096	117024280.00	6.9131
5,001 – 1 0,000	4158	1.1693	29955170.00	1.7696
10,001 – 20,000	1785	0.5020	26150750.00	1.5448
20,001 – 30,000	540	0.1519	13441494.00	0.7940
30,001 – 40,000	382	0.1074	14150568.00	0.8359
40,001 – 50,000	150	0.0422	6834380.00	0.4037
50,001 – 1,00,000	373	0.1049	26898306.00	1.5890
1,00,001 and above	401	0.1128	1458334510.00	86.1498
Total	**355596**	**100.00**	**1692789458.00**	**100.00**

DEMATERIALISATION AND LIQUIDITY

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares. As on 31/03/2022, 99.586 % of the equity shares of the Company are in electronic form with the depositories as detailed below:

Category	No. of Shares	%
National Securities Depository Limited	476079892	56.248
Central Depository Services Limited	366814014	43.338
Physical Holdings	3500823	0.414
Total	**846394729**	**100.00**

Shareholders can get their shares dematerialized with either NSDL or CDSL. Through SKDC Consultants Limited, Registrars and Share Transfer Agents, the Company has established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE522D01027.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on 31 March, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments. No equity shares are in the suspense account / demat suspense account / unclaimed suspense account.

INTERIM DIVIDEND

Dividend details are provided in point 17 of Board's Report.

Last date for claiming Unclaimed Dividend from the Company are detailed below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend
2015	14-May-15	21-Jun-22
2016	14-Aug-15	21-Sep-22
2016	05-Nov-15	12-Dec-22
2016	12-Feb-16	19-Mar-23
2016	11-Mar-16	18-Apr-23
2017	09-Aug-16	16-Sep-23
2017	10-Nov-16	17-Dec-23
2017	08-Feb-17	15-Mar-24
2018	25-May-17	02-Jul-24
2018	10-Aug-17	17-Sep-24
2018	07-Nov-17	14-Dec-24
2018	08-Feb-18	15-Mar-25
2019	18-May-18	25-Jun-25
2019	09-Aug-18	16-Sep-25
2019	06-Nov-18	13-Dec-25
2019	06-Feb-19	13-Mar-26
2020	15-May-19	22-Jun-26
2020	13-Aug-19	20-Sep-26
2020	06-Nov-19	13-Dec-26
2020	28-Jan-20	07-Mar-27
2020	27-Feb-20	03-Apr-27
2021	07-June-21	14-Jul-28
2021	23-Aug-21	30-Sep-28
2021	13-Nov-21	20-Dec-28
2021	14-Feb-22	21-Mar-29

Claiming of unclaimed dividends before transfer to IEPF

Shareholders are advised to make their claim for the unclaimed dividends in respect of the Shares held by them, by writing to Registrar and Share Transfer Agents, S.K.D.C. Consultants Limited, (a Subsidiary of Link Intime India Pvt Ltd) "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, TN, India | Phone: +91 422 4958995, 2539835/ 836 | Mobile # Fax: +91 422 2539837 | Email: info@skdc-consultants.com | www.skdc-consultants.com

Claiming of shares/ dividends after transfer to IEPF

In case any shareholder wish to claim the shares / Dividend(s) after its transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the IEPF Rules and the same is available at IEPF website i.e., www.iepf.gov.in.

List of shareholders who have not claimed the dividends for the continuous seven years onwards and whose shares are to be transferred to IEPF will be posted on the Company's website.

The above details can be accessed through https://www.manappuram.com/investors/transfer-of-shares-to-iepf.html

OTHER DISCLOSURES

There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 42 of Standalone financial statements.

The Company has complied with all the directives issued by stock exchanges and other statutory authorities. No penalties and strictures were imposed on the Company by any of the regulatory authorities such as the Stock Exchange, SEBI, Reserve Bank of India, Registrar of Companies, for non- compliance on any matter related to capital markets during the last three years 2019-20 , 2020-21 and 2021-22, except for the below:

Regulator	Regulation	Amount of penalty	Details
BSE	Regulation 18(1) Non-Compliance with the constitution of Audit Committee	₹ 84,960 (₹ 2,000 per day computed till quarter ended March 31, 2019) plus GST	BSE notice dated 02.05.2019 Paid on 04.05.2019
NSE	Regulation 18(1) Non-Compliance with the constitution of Audit Committee	₹ 84,960 (₹ 2,000 per day computed till quarter ended March 31, 2019) plus GST	NSE notice dated 02.05.2019 Paid on 09.05.2019
BSE	Regulation 44(3) delayed submission of Voting Results	₹11,800 (Fine amount per instance ₹ 10,000) plus GST	BSE notice dated 06.11.2019 Paid on 21.11.2019
NSE	Regulation 44(3) delayed submission of Voting Results	₹ 11,800 (Fine amount per instance ₹ 10,000) plus GST	NSE notice dated 06.11.2019 Paid on 21.11.2019

Regulator	Regulation	Amount of penalty	Details
RBI	Para 26 (2) of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (updated from time to time) Charge - Failure to keep a record of verification of ownership of jewellery pledged by the borrowers and absence of Board approved policy in this regard. RBI Letter Ref No - EFD.CO.SO/106/02.14.006/2020-21 November 19, 2020	₹ 5,00,000/-	Penalty paid on 23-11-2020 UTRNo: NEFT/AXISP00162251894/ MANAPPURAM231120203/Enforce
RBI	Paragraphs 9.1(i)(a) and 9.1(i)(b) of the Master Direction on Issuance and Operation of PPIs in India (PPI MD) dated October 11, 2017 (updated as on February 28, 2020) and paragraph 3(a)(xiii) & Paragraph 16 of KYC Master Direction. Charge:- Contraventions in collection of OVDs while conversion of PPIs into full KYC PPI, presence of junk OVD numbers or no OVD numbers in customer database. Opened minimum detail wallets with no OVD numbers or junk OVD numbers or with OVD numbers that did not follow their known format. RBI SCN DPSS.CO.OVRST.No.S514/06.07.004/ 2021-22 dated September 07, 2021 and RBI Speaking Order dated Mar 24, 2022.	₹ 17,63,965/-	Penalty paid on 02-04-2022. UTR No. AXSK221270002838

The Company has adopted the following policies in line with provisions of SEBI (LODR) Regulations, 2015 and its web link:

Policy for determining Material Subsidiaries
https://www.manappuram.com/public/uploads/editor-images/files/Policy%20for%20determining%20Material%20Subsidiary%202022.pdf

Policy for Determination of Materiality and Disclosure of Material Events / Information –
https://www.manappuram.com/public/uploads/editor-images/files/Policy for Determination of Materiality and Disclosure of Material eventsinformation 2022.pdf

Policy on Preservation of Documents and Archival of Documents in the Company Website –
https://www.manappuram.com/public/uploads/editor-images/files/Archival%20Policy%20amended.pdf

Policy on Related Party Transactions
https://www.manappuram.com/public/uploads/editor-images/files/MAFL-RPT%20Policy-Revised-clean.pdf

The Company is in compliance with all the corporate governance requirements mandated by Part A to D of Schedule II of the SEBI (LODR) Regulations, 2015. The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (LODR) Regulations, 2015:

a. The auditors' report on statutory funancial statements of the Company are unmodified.

b. Mr. Shailesh J Mehta is the Non-Executive Chairman of the Company wef 13Nov 2021

c. Mr. Shailesh J Mehta is the Non-Executive Chairman of the Company and Mr. V. P. Nandakumar is the Managing Director and Chief Executive Officer of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

d. Inhouse Internal Audit department make presentation before the audit committee of Company. KPMG, the external service provider to assist internal audit of the Company, make presentations to the audit committee on their reports.

The Disclosures of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations are as follows:

Sl. No	Regulation	Particulars of Regulation	Compliance Status (Yes/ No)
1	17	Board of Directors	Yes
2	17A	Maximum Number of Directorships	Yes
3	18	Audit Committee	Yes
4	19	Nomination and Remuneration Committee	Yes
5	20	Stakeholders Relationship Committee	Yes
6	21	Risk Management Committee	Yes
7	22	Vigil Mechanism	Yes
8	23	Related Party Transactions	Yes
9	24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
10	24A	Secretarial Audit and Secretarial Compliance Report	Yes
11	25	Obligations with respect to Independent Directors	Yes
12	26	Obligation with respect to Directors and senior management	Yes
13	27	Other Corporate Governance requirements	Yes
14	46(2)(b) to (i)	Website	Yes

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has formulated Whistle Blower Policy and Vigil Mechanism ("the Policy") in line with the provisions of Regulation 4 and 22 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013 with a view to enabling stakeholders, including directors, individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company.

The vigil mechanism of the Company provides adequate safeguards against the victimization of any directors or employees or any other person who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link;
https://www.manappuram.com/public/uploads/editor-images/files/whistle%20blower%20policy%202022.pdf

COMMODITY PRICE RISKS, FOREIGN EXCHANGE RISKS AND HEDGING ACTIVITIES

Commodity Price Risks

The Company lends against the collateral of used gold jewellery. When the customer fails to repay the principal plus interest of the loan, the Company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. As gold is a commodity, the Company does therefore bear an exposure to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the Company at times may not collect full amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement.

Foreign Exchange Risks

The Company does not directly face any foreign exchange risks as all its loans are made in rupee terms. The Company does not have any un-hedged borrowing in foreign exchange as well. There have been on occasions, borrowings in foreign exchange which are fully hedged and received in rupees.

Hedging Activities for the above

The Company has hedged the commodity price risk by shifting to primarily short-term loans. Earlier the Company used to make one-year loans which had a higher risk of exposure to commodity price risk. With the shift to shorter term loans the Company has significantly reduced its risk of non-collection of full interest and principal at the time of auction. This has also resulted in higher net yield during the year which has contributed to higher profitability as well.

SUBSIDIARY COMPANIES

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant transactions and arrangements entered into by the unlisted subsidiary companies are quarterly reviewed by the Board of Directors of the Company. The Company does not have any material non-listed Indian subsidiary companies.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Familiarization programme for independent directors, which is the compilation of duties and responsibilities as a director as well as other relevant aspects was conducted on 22.03.2022.

Details regarding familiarization programmes conducted for Directors can be viewed on the Company's website at
https://www.manappuram.com/familiarization-programme-for-independent-directors.html

CODE OF CONDUCT

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same has been uploaded on to the website of the Company and is accessible to the shareholders of the Company at http://www.manappuram.com/company/management-team.html

It is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company. In terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015, a declaration signed by the Chief Executive Officer of the Company is published in this report as Annexure - A.

FAIR PRACTICES CODE

The Company has framed Fair Practices Code as per the latest guidelines issued by Reserve Bank of India in this regard. The code is posted on the website of the Company at the https://www.manappuram.com/others/fair-practice-code.html

CEO/CFO CERTIFICATION

The requisite certification made by CEO/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2021-22 was taken note by the Board of Directors at its meeting held on 18 May, 2022 is published in this report as Annexure - B.

PRACTICING COMPANY SECRETARIES' COMPLIANCE CERTIFICATE

A certificate obtained from the Company Secretary in practice towards compliance of provisions of Corporate Governance is annexed with the Board's Report in terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015.

CREDIT RATING

Details of Credit Rating is available as Point 39 of Boards Report.

Resignation of Independent Director

During the financial year, Mr. Jagdish Capoor, Chairman of Board (DIN: 00002516) of the Company has stepped down from the Company vide letter dated October 18, 2021. Mr. Jagdish Capoor mentioned in his resignation letter that the reason for his resignation was age related, and there were no material reasons for his resignation other than the reason mentioned in the letter.

Certificate of Non Disqualification of Directors from Practicing Company Secretary

In terms of the Listing Regulations, 2015, KSR & Co., Company Secretaries LLP, Company Secretaries, has issued a certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI / Ministry of Corporate Affairs or any other statutory authority. The certificate forms part of Corporate Governance Report and is given in Annexure - C.

Independence of Independent Directors

In the opinion of the Board, the independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Recommendations of Audit Committee

There has been no instance where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

Consolidated fee paid to Statutory Auditors

₹ 16.04 million fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Disclosure of loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount (i.e. details of the Company & its subsidiaries) : Details are provided in Note No. 47 to the Standalone Financial Statements in this Annual Report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a. number of complaints filed during the financial year= 9

b. number of complaints disposed of during the financial year= 9

c. number of complaints pending as on end of the financial year= 0

During the year the Company has raised ₹ 10,500 million from qualified institutions through private placement

Chart/Matrix Setting Out the Skills/Expertise/Competence of The Board of Directors

Leadership
Extended business leadership experience resulting in a practical understanding of organizational processes, strategic planning and risk management.
People Practices
Experience and strengths in developing talent, planning succession, driving change and long-term growth. Understands the drivers leading to behavior change.
Financial Control
Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in financial management, capital allocation, financial control and reporting processes.

Diversity including gender and occupation	
Representation of diversity in terms of gender, geography, culture, occupations that bring varied independent perspectives expanding the Board's understanding of the needs and viewpoints of customers, partners, employees, government, and other stakeholders.	
Technology	
A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.	
Governance	
Service on a public company board to develop insights about maintaining board and management governance accountability, protecting shareholder interests, and observing appropriate governance practices.	
Sales and Marketing	
Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation	
Regulatory	
Extended experience and understanding of the regulatory environment operating in the context of the business	
Law	
Legal background and experience	
Financial Services	
Extended experience in a financial services firm enabling a rich understanding of the sector and the context.	
Sustainability	
Experience and exposure in understanding sustainability from the business perspective with regard to employees customers and the larger community including the environment.	

Skills/expertise/competence identified by the Board of Directors actually available with the Board:

Name of Director	Jagdish Capoor (Resigned vide letter dated 18.10.2021)	V.P. Nandakumar	B.N. Raveendra Babu	V.R. Ramachandran	P. Manomohanan	Gautam Narayan	Sutapa Banerjee	Abhijit Sen	Harshan Kollara	Shailesh J. Mehta	Balasubramanian (Appointed on 28.06.2021)
Leadership	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
People Practices	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	Yes	Yes
Financial Control	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
Diversity including gender and occupation									Yes	Yes	
Technology	-	-	Yes	-	-	-	-	Yes	Yes	Yes	Yes
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sales and Marketing	Yes	Yes	Yes	Yes	-	-	Yes	-	-	Yes	
Regulatory	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Law	-	-	-	Yes	Yes	Yes	-	-	-	-	
Financial Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sustainability	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	-	Yes	Yes

On Behalf of the Board

Sd/-
V.P. Nandakumar
Managing Director & CEO

Place: Valapad
Date: May 18, 2022

ANNEXURE - A

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Directors and senior management personnel. I confirm that the Company has in respect of the year ended 31 March, 2022, received from the Senior Management Personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

On Behalf of the Board

Sd/-
V.P. Nandakumar
Managing Director & CEO

Place: Valapad
Date: May 18, 2022

ANNEXURE - B

CEO & CFO CERTIFICATION UNDER SEBI (LODR) REGULATIONS, 2015

To
The Board of Directors
Manappuram Finance Limited

We, V.P. Nandakumar, Managing Director & CEO and Bindu A L, Chief Financial Officer of Manappuram Finance Limited, ("the Company") hereby certify that:-

(a) We have reviewed financial statements and cash flow statement for the year ended 31st March 2022 and that to the best of our knowledge and belief:

  (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.

(b) 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.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee

  1. significant changes in internal control over financial reporting during the period;

  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  3. instances of significant fraud of which we 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.

Place: Valapad
Date: May 18, 2022

V P Nandakumar
Managing Director & CEO

Bindu AL
Chief Financial Officer

ANNEXURE - C

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,
Manappuram Finance Limited,
IV/470A(Old)W638A(new),
Manappuram House, Valappad,
Thrissur- 680 567

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Manappuram Finance Limited** having CIN L65910KL1992PLC006623 and having its registered office at Manappuram Finance Limited, IV/470A(Old)W638A(new), Manappuram House, Valappad, Thrissur-680 567 (hereinafter referred to as '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.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) 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 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment/Re-appointment in the Company
1.	Shailesh J Mehta	01633893	28th Aug 2020
2.	Sutapa Banerjee	02844650	01st April 2019
3.	Abhijit Sen	00002593	27th August 2019
4.	Gautam Ravi Narayan	02971674	8th Feb 2018
5.	V.R.Ramachandran	00046848	31st July 2014 and 31st July 2019 (Re-appointment)
6.	P.Manomohanan	00042836	31st July 2014 and 31st July 2019 (Re-appointment)
7.	B.N Raveendra Babu	00043622	15th July 1992 and 01st June 2020 (Re-appointment)
8.	V.P. Nandakumar	00044512	15th July 1992 and 18th August 2017 (Re-appointment)
9	Harshan Kollara	01519810	28th August 2020
10	S.R. Balasubramanian	03200547	10th September 2021

Mr. Jagdish Capoor stepped down as Non-Executive - Independent Director of the Board of the Company at the meeting dated October 18, 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 these based on our verification. 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 KSR & Co Company Secretaries LLP

Dr. C.V. Madhusudhanan
Partner
FCS: 5367; CP:4408
UDIN: F005367D000339140

Date: 18th May 2022
Place: Coimbatore

Independent Auditor's Report

To the Members of Manappuram Finance Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Manappuram Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022 (current period). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Interest Income on Gold Loans:** Interest in Gold Loan is based on the various gold loan schemes launched by the Company. The calculation of the interest on gold loan as per the applicable scheme involves complexities, including rebates in the nature of reduced prospective interest rates for prompt payment and penal interest for delayed payment. Due to such variety of schemes and involvement of complexity in calculating the interest income on gold loan we have considered this as Key Audit Matter.	We assessed the Company's process on interest income computation. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: Since the entire interest computation is system driven, we tested, • Evaluated the design of internal controls relating to interest income computation. • Selected a sample of continuing and new gold loan schemes and tested the operating effectiveness of the internal control, relating to interest income computation. We carried out a combination of procedures involving inquiry and observation, inspection of evidence in respect of operation of these controls. • Performed analytical procedures and test of details procedures for testing the accuracy of the revenue recorded. • Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation. • Obtained the list of modifications made in the interest scheme master during the year and test checked the same on sample basis.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2.	**Provision for Expected Credit Losses (ECL) on Loans:** Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: Timely identification and classification of the impaired loans, and Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus: Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars; Accounting interpretations, modelling assumptions and data used to build and run the models; Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios; Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic and The disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 45 to the standalone financial statements	We examined Board Policy approving methodologies 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 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 including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/ collective provisions and production of journal entries and disclosures. We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2022. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD. We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements for the year ended March 31, 2022 (current period) and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 26, 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**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, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 standalone 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23 to the standalone 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      iv. (1) Under Rule 11(e)(i)

         The Management has represented that, to the best of it's knowledge and belief, 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, 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;

         (2) Under Rule 11(e)(ii)

         The Management has represented, that, to the best of it's knowledge and belief, 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, as on the date of this audit report, that the Company shall, 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;

(3) Under Rule 11(e)(iii)

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has declared and paid dividend during the year which is in compliance with Section 123 of the Act.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Tushar Kurani
Membership No.: 118580
UDIN: 22118580AJDTMX5745

Place: Mumbai
Date: May 18, 2022

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No. 112723W

Sandeep Mandawewala
Membership No.: 117917
UDIN: 22117917AJDUFR6974

Place: Mumbai
Date: May 18, 2022

Annexure A to Independent Auditors' Report

of even date on the Financial Statements of Manappuram Finance Limited for the year ended March 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii. (a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) (a) of the Order are not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks/ financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account.

iii. (a) The Company involved in the business of giving loans, hence the requirements under paragraph 3 (iii) (a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given and grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the interest of the Company.

(c) In respect of the [aforesaid] loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc, the borrower-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 10 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 is ₹ 6622.94 million. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 56(xi) in the financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2022.

(e) The Company involved in the business of giving loans. Accordingly, provision stated in paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has not granted any loans and

/ or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, 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 have been regularly deposited by the company with appropriate authorities in all cases during the year.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Million)	Period to which the Lamount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	301.20	Assessment Year 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.38	Assessment Year 2018-19	Assistant Commissioner of Income Tax Appeals
Kerala Value Added Tax, 2003	Value Added Tax (excluding penalty and interest, if any)	44.94	Assessment Years 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15	Deputy Commissioner (Appeals)

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(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 no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extent of audit procedures.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports issued by internal auditors during our audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a non-deposit taking non- banking financial institutions.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been resignation of the statutory auditors during the year in compliance with RBI circular dated April 27, 2021 on "Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)" and there were no issues, objections or concerns raised by the outgoing auditors.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of 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 audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. (a) In respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in schedule VII of the Act within a period of six months of the expiry of the financial year in compliance second proviso to sub-section (5) of section 135 of the Act.

In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance section 135(6) of the said Act.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Tushar Kurani
Membership No.: 118580
UDIN: 22118580AJDTMX5745

Place: Mumbai
Date: May 18, 2022

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No. 112723W

Sandeep Mandawewala
Membership No.: 117917
UDIN: 22117917AJDUFR6974

Place: Mumbai
Date: May 18, 2022

Annexure B to Independent Auditors' Report

of even date on the Standalone Financial Statements of Manappuram Finance Limited

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Manappuram Finance Limited on the Financial Statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

We have audited the internal financial controls with reference to standalone financial statements of Manappuram Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone 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 (ICAI) (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of 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 standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Tushar Kurani
Membership No.: 118580
UDIN: 22118580AJDTMX5745

Place: Mumbai
Date: May 18, 2022

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No. 112723W

Sandeep Mandawewala
Membership No.: 117917
UDIN: 22117917AJDUFR6974

Place: Mumbai
Date: May 18, 2022

BALANCE SHEET

as at 31st March, 2022

(All amounts are in millions, unless otherwise stated)

	Particulars	Note No:	As at 31 March 2022	As at 31 March 2021
ASSETS				
1	**Financial assets**			
	Cash and cash equivalents	8	15,628.60	18,923.61
	Bank balances other than above	9	1,956.01	1,733.13
	Derivative financial instruments	17	0.00	0.00
	Loans	10	2,27,196.71	2,10,593.56
	Investments	11	12,154.68	12,001.69
	Other financial assets	12	2,050.99	2,960.12
2	**Non-financial assets**			
	Current tax assets (net)	13	549.66	95.31
	Deferred tax assets (net)	35	746.56	960.80
	Property, plant and equipment	14	3,158.96	2,782.19
	Capital work-in-progress		107.03	56.99
	Right of use asset	41(iii)	5,573.38	5,609.47
	Other intangible assets	15	187.80	219.30
	Other non-financial assets	16	395.56	603.67
	Total assets		**2,69,705.94**	**2,56,539.84**
LIABILITIES AND EQUITY				
LIABILITIES				
1	**Financial liabilities**			
	Derivative financial instruments	17	301.19	346.25
	Payables			
	a) Trade payables	18		
	(i) total outstanding dues of micro enterprises and small enterprises		3.65	0.83
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,081.92	949.52
	Debt securities	19	78,032.83	99,368.56
	Borrowings (other than debt securities)	20	1,01,220.85	76,986.54
	Subordinated liabilities	21	6.00	48.10
	Lease liability	41(iii)	6,151.01	5,938.30
	Other financial liabilities	22	1,950.66	2,742.55
2	**Non-financial Liabilities**			
	Current tax liabilities (net)	13	-	-
	Provisions	23	549.18	542.42
	Deferred tax liabilities (net)			
	Other non-financial liabilities	24	979.87	599.53
			1,90,277.16	**1,87,522.60**
3	**EQUITY**			
	Equity share capital	25	1,692.79	1,692.73
	Other equity	26	77,735.99	67,324.51
	Total liabilities and equity		**2,69,705.94**	**2,56,539.84**

See accompanying notes forming part of the standalone financial statements.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No: 105047W

Tushar Kurani
Partner
Membership No: 118580

For **S K Patodia & Associates**
Chartered Accountants
ICAI Firm Registration No: 112723W

Sandeep Mandewawala
Partner
Membership No:117917

Place: Mumbai
Date: May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: May 18, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

		Particulars	Note No:	For the year ended 31 March 2022	For the year ended 31 March 2021
(I)		**Revenue from operations**			
	(i)	Interest income	27 (i)	45,393.68	51,377.74
	(ii)	Fees and commission income	27 (ii)	31.23	43.21
	(iii)	Net gain on fair value changes	27 (iv)	(0.01)	0.10
	(iv)	Dividend Income	27 (iii)	-	50.24
	(v)	Other operating income	27 (v)	203.09	251.35
		Total Revenue from operations (I)		**45,627.99**	**51,722.64**
(II)		Other income	28	241.98	212.51
(III)		**Total income (I + II)**		**45,869.97**	**51,935.15**
		Expenses			
	(i)	Finance costs	29	13,918.02	17,199.75
	(ii)	Fees and commision expense	30	260.16	201.78
	(iii)	Impairment on financial instruments	31	807.01	1,299.23
	(iv)	Employee benefits expenses	32	8,083.81	6,246.64
	(v)	Depreciation and amortisation	33	1,574.60	1,556.70
	(vi)	Other expenses	34	3,728.58	2,735.53
(IV)		**Total expenses (IV)**		**28,372.18**	**29,239.63**
(V)		**Profit before tax (III - IV)**		**17,497.79**	**22,695.52**
(VI)		Tax expense:	35		
		(1) Current tax		4,200.10	6,053.32
		(2) Deferred tax		252.32	(286.99)
		(3) Earlier years adjustments		-	(50.00)
		Total Tax Expense		**4,452.42**	**5,716.33**
(VII)		**Profit for the year (V - VI)**		13,045.37	16,979.19
(VIII)		**Other comprehensive income**			
	A	**(i) Items that will not be re classified to profit or loss** (a) Remeasurement gain/(loss) on post-employment defined benefit plans.		43.14	(49.14)
		(ii) Income tax relating to items that will not be reclassified to profit or loss		(10.86)	12.37
		Subtotal (A)		**32.28**	**(36.77)**
	B	**(i) Items that will be classified to profit or loss** (a) Fair value changes of cash flow hedges		(194.42)	(146.01)
		(ii) Income tax relating to items that will be reclassified to profit or loss		48.93	36.75
		Subtotal (B)		**(145.49)**	**(109.26)**
		Other comprehensive income		**(113.21)**	**(146.03)**
(IX)		**Total comprehensive income for the year (VII + VIII)** (Comprising profit and other comprehensive income for the year)		**12,932.16**	**16,833.16**
(X)		**Earnings per equity share (Nominal value per share - ₹ 2)**	36		
		Basic (₹)		15.41	20.08
		Diluted (₹)		15.41	20.08

See accompanying notes forming part of the standalone financial statements.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No: 105047W

Tushar Kurani
Partner
Membership No: 118580

For **S K Patodia & Associates**
Chartered Accountants
ICAI Firm Registration No: 112723W

Sandeep Mandewawala
Partner
Membership No:117917

Place: Mumbai
Date: May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: May 18, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY CAPITAL

for the year ended 31st March, 2022

(All amounts are in millions, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid

Particulars	No. in Millions	₹ in Millions
As at 1 April 2020	844.98	1,689.99
Issued during the year - ESOP	1.38	2.74
As at 31 March 2021	**846.36**	**1,692.73**
Issued during the year - ESOP	0.03	0.060
As at 31 March 2022	**846.39**	**1,692.79**

B. OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income - actuary gain / (loss)	Total
		Statutory reserve	Securities premium	Share option outstanding account	Impairment Reserve	General reserve	Retained earnings	Hedge reserve		
Balance as at 1 April 2020	323.15	11,161.37	13,979.99	266.72	-	3,627.02	22,615.19	(12.84)	(91.63)	51,868.97
Dividends	-	-	-	-	-	-	(1,057.71)	-	-	(1,057.71)
Transfer to/from retained earnings	-	3,406.69	-	(5.01)	-	-	(3,401.68)	-	-	-
Other Additions/ Deductions during the year										
Foreign exchange rate variations in hedging instruments								3.42		3.42
Shares allotted during the year	(105.53)	-	-	(125.32)	-	-	-	-	-	(230.85)
Utilised during the year	(217.60)	-	-	-	-	-	-	-	-	(217.60)
Share premium received during the year	-	-	125.12	-	-	-	-	-	-	125.12
Profit for the year (net of taxes)	-	-	-	-	-	-	16,979.19	-	-	16,979.19
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	(146.03)	(146.03)
Balance as at 31 March 2021	**0.02**	**14,568.06**	**14,105.11**	**136.39**	**-**	**3,627.02**	**35,134.99**	**(9.42)**	**(237.66)**	**67,324.51**

STANDALONE STATEMENT OF CHANGES IN EQUITY CAPITAL

for the year ended 31st March, 2022

(All amounts are in millions, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and Surplus							Other comprehensive income - actuary gain / (loss)	Total
		Statutory reserve	Securities premium	Share option outstanding account	Impairment Reserve	General reserve	Retained earnings	Hedge reserve		
Dividends	-	-	-	-	-	-	(2,539.14)	-	-	(2,539.14)
Transfer to/from retained earnings	-	2,609.07	-	-	439.93	-	(3,049.00)	-	-	-
Other Additions/ Deductions during the year										
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	13.66	-	13.66
Shares allotted during the year	-	-	-	-	-	-	-	-	-	-
ESOP Expenses	-	-	-	1.16	-	-	-	-	-	1.16
Utilised during the year	-	-	-	-	-	-	-	-	-	-
Share premium received during the year	-	-	3.64	-	-	-	-	-	-	3.64
Profit for the year (net of taxes)	-	-	-	-	-	-	13,045.37	-	-	13,045.37
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	(113.21)	(113.21)
Balance as at 31 March 2022	**0.02**	**17,177.13**	**14,108.75**	**137.55**	**439.93**	**3,627.02**	**42,592.22**	**4.24**	**(350.87)**	**77,735.99**

See accompanying notes forming part of the standalone financial statements.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No: 105047W

Tushar Kurani
Partner
Membership No: 118580

For **S K Patodia & Associates**
Chartered Accountants
ICAI Firm Registration No: 112723W

Sandeep Mandewawala
Partner
Membership No:117917

Place: Mumbai
Date: May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: May 18, 2022

STANDALONE CASH FLOW STATEMENT

for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Net profit before tax	17,497.79	22,695.52
	Adjustments for:		
	Interest income on loans	(45,166.96)	(50,812.11)
	Depreciation and amortization expense	1,574.60	1,556.70
	Impairment on financial instruments	(705.79)	646.39
	Finance costs	13,918.02	17,199.75
	Lease Income on rent waiver	(2.44)	(118.05)
	Provision for litigation	54.64	2.03
	Provision no longer required written back	(6.54)	-
	Provision for other assets	(34.82)	(7.48)
	Profit on sale of property, plant and equipment	(9.54)	(8.35)
	Stock compensation expense	1.16	(125.32)
	Interest income from banks, investments and others	(226.72)	(565.64)
	Dividend Received	-	(50.24)
	Operational cash flows from interest		
	Interest received on loans	48,092.00	48,597.12
	Finance costs	(14,055.67)	(15,014.18)
	Operating Profit before working capital changes	**20,929.73**	**23,996.14**
	Changes in working capital and loans:		
	Decrease / (increase) in non-financial assets	236.39	24.88
	Decrease / (increase) in loans	(18,823.69)	(15,440.38)
	Decrease / (increase) in other financial assets	908.96	(1,333.92)
	Increase / (decrease) in trade payables	135.22	70.73
	Increase / (decrease) in other financial liabilities	(73.35)	(547.09)
	Increase / (decrease) in provisions	(157.63)	(231.12)
	Increase / (decrease) in other non-financial liabilities	380.34	264.45
		(17,393.76)	**(17,192.45)**
	Cash generated from operations	3,535.97	6,803.69
	Net income tax (paid)	(4,654.45)	(5,301.07)
	Net cash flows from/(used in) operating activities (A)	**(1,118.48)**	**1,502.62**
B.	**Cash flow from investing activities**		
	Capital expenditure, including capital advances	(1,039.55)	(433.72)
	Proceeds from sale of property, plant and equipment	11.33	8.57
	(Purchase) / Sale of investments	(151.87)	(2,682.66)
	Interest received	226.89	565.79
	Dividend Received	-	50.24
	Bank balances not considered as cash and cash equivalents	(222.88)	(115.93)
	Net cash flows from/(used in) investing activities (B)	**(1,176.08)**	**(2,607.71)**

STANDALONE CASH FLOW STATEMENT

for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
C.	**Cash flow from financing activities**		
	Debt securities issued (net)	(21,335.73)	25,467.04
	Borrowings (other than debt securities) issued (net)	24,202.91	(23,913.90)
	Subordinated liabilities issued (net)	(42.10)	(22.28)
	Proceeds from issue of equity shares	0.06	2.74
	Share premium on equity shares allotted	3.64	125.12
	Share application money received/(refunded)	-	(323.13)
	Dividend paid, including dividend distribution tax	(2,539.14)	(1,057.71)
	Payment of lease liabilities	(1,290.09)	(1,143.07)
	Net cash flow from /(used in) financing activities (C)	**(1,000.45)**	**(865.19)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(3,295.01)**	**(1,970.28)**
	Cash and cash equivalents at the beginning of the year	**18,923.61**	**20,893.89**
	Cash and cash equivalents at the end of the year	**15,628.60**	**18,923.61**

Note: For disclosures relating to changes in liabilities arising from financing activities, refer note 40.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No: 105047W

Tushar Kurani
Partner
Membership No: 118580

For **S K Patodia & Associates**
Chartered Accountants
ICAI Firm Registration No: 112723W

Sandeep Mandewawala
Partner
Membership No:117917

Place: Mumbai
Date: May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: May 18, 2022

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

1 CORPORATE INFORMATION

Manappuram Finance Limited ('MAFIL' or 'the Company') is a public limited company domiciled in India and incorporated on 15 July 1992 in Thrissur, Kerala. Its shares are listed on Bombay Stock Exchange Limited and National Stock Exchange Limited. The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit taking NBFC(NBFC-ND). The Company is registered with the Reserve Bank of India (RBI).

The registration details are as follows:
Reserve Bank of India Registration no : B-16.00029
Corporate Identity Number (CIN) : L65910KL1992PLC006623

The Company is the ultimate parent company of the Manappuram Home Finance Limited, Asirvad Microfinance Limited, Manappuram Insurance Brokers Limited and Manappuram Comptech and Consultants Limited.

The company's registered office is at IV/470a (Old) W/638 (New), Manappuram house Valapad P.O, Thrissur - 680567, Kerala. The principal place of business is Thrissur Kerala.

2 BASIS OF PREPARATION

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies – ND.

The financial statements are presented in Indian Rupees (INR) which is also the functional currency of the company and all values are rounded to the nearest millions, except when 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, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest million, except when otherwise indicated.

4 STATEMENT OF COMPLIANCE

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

5 SIGNIFICANT ACCOUNTING POLICIES (ALSO REFER NOTE 2 ABOVE)

5.1 INVESTMENTS IN SUBSIDIARY

Interest in subsidiary, associates and joint venture are recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments(net of impairment).

5.2 FINANCIAL INSTRUMENTS

(I) CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through other comprehensive income

3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets. 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 business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

- Reports reviewed by the entity's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding. 'Principal' s defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(II) FINANCIAL ASSETS MEASURED AT AMORTISED COST

These Financial assets comprise bank balances, Loans, investments in debt securities and other financial assets. Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost. These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income Such classification is determined on an instrument-by-instrument basis.

(III) ITEMS AT FAIR VALUE THROUGH PROFIT OR LOSS

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

(IV) DERIVATIVES

The Company enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Company undertakes derivative transactions to mitigate

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally banks.

a) **Financial Assets or Liabilities at Fair Value through Profit and Loss**

This category includes derivative financial assets/ liabilities which are not designated as hedges.

Although the Company believes that these derivative instruments constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivatives that is either not designated as a hedge, or is designated but is ineffective as per Ind AS 109, is categorised as a financial asset or liability, at fair value through profit and loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss and the resulting exchange gain or loss are included in the other income/ expenses.

b) **Cash flow Hedge:**

The Company designates certain foreign exchange forwards and swaps contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on certain balance sheet liabilities. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of derivative instruments is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in the cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve till the period the transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related transaction.

(V) DEBT SECURITIES AND OTHER BORROWED FUNDS

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(VI) RECOGNITION AND DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs. 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 on 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 recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

(VII) IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs or at fair value through other comprehensive income account. The Company applies a three-stage approach to

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments.

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Company computes the Loss Given Default based on the recovery rates.

NOTES

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, , etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(VIII) 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 cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(IX) DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability ,either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

5.3 REVENUE FROM OPERATIONS

(I) INTEREST INCOME

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured through amortised cost method.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(II) DIVIDEND INCOME

Dividend income is recognised

a. When 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.

(III) FEES & COMMISSION INCOME

Fees and commissions other than those which forms part of EIR are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

NOTES

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrue.

(IV) NET GAIN ON FAIR VALUE CHANGES

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

5.4 EXPENSES

(I) FINANCE COSTS

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As 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.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(II) RETIREMENT AND OTHER EMPLOYEE BENEFITS

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 recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) 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 recognises 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 recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) 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.

The Company fully contributes all ascertained liabilities to LIC without routing it through Trust bank account. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company

Re-measurement, 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 OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised in employee benefits expenses/ investment in subsidiary together with a corresponding increase in employee stock option outstanding account in other equity is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(III) OTHER INCOME AND EXPENSES

All Other income and expense are recognized in the period they occur.

(IV) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of assets is 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 cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and 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.

(V) TAXES

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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses Expenses and assets are recognised net of

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

5.5 FOREIGN CURRENCY TRANSLATION

(I) FUNCTIONAL AND PRESENTATIONAL CURRENCY

The standalone 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.

(II) TRANSACTIONS AND BALANCES

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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 recognised 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.

5.6 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.

5.7 PROPERTY, PLANT AND EQUIPMENT (PPE)

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.

Depreciation is calculated using the Straight Line Method (SLM) to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

Particulars	Useful life estimated by Company
Computer	
- End User equipment	3 years
- Server*	3 years
Furniture & Fixtures	
- Safe and strong rooms	10 years
- Others*	3 - 5 years
Office Equipment	3 years
Electrical Fittings	3 years
Buildings	30 years
Vehicles	8 years
Plant & Equipment	15 years

**The Company has estimated useful life which is different for Schedule II useful life's based on technical advice obtained by the management.*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

5.8 INTANGIBLE ASSETS

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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 to the Statement of Profit and Loss from / upto the date of acquisition/sale. Amortisation is calculated using the straight–line 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 straight-line basis over a period of 6 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 are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

5.9 PROVISIONS

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

5.10 CONTINGENT ASSETS AND LIABILITIES

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize or disclose contingent asset in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

5.11 EARNINGS PER SHARE

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

5.12 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD, which has been identified as being the chief operating decision maker. The Company is engaged in the business of i) Lending finance and ii) Fees & commission income. The said business are aggregated for the purpose of review of performance by CODM. Accordingly, the Company has concluded that the business of lending finance and fees & commission income to be the only reportable segment.

5.13 LEASES

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

THE COMPANY AS A LESSEE

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the

NOTES

related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

6 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

6.1 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.

6.2 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 regularly review it's ECL model in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 5.2(vii) Overview of ECL principles.

7 IMPACT OF COVID-19

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The standalone financial results, includes the potential impact of the COVID-19 pandemic which are dependent on future developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Company and its subsequent impact on the recoverability of the Company's assets.

Further, the Company has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered all available internal and external information up to the date of approval of these financial results. Accordingly, the Company has made prudential estimate of provision for expected credit loss on financial assets as at March 31, 2021. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets. The extent to which the COVID-19 pandemic will further impact the Company's standalone financial results will depend on developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Accordingly, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results. The Company will continue to closely monitor any material changes to future economic conditions.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 8: CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	1,897.02	2,358.08
Balances with banks - in current and OD accounts	8,126.83	7,910.57
Foreign currency balances	1.54	1.18
Bank deposit with maturity of less than 3 months	5,603.21	8,653.78
Total	**15,628.60**	**18,923.61**

Short-term bank deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 9: BANK BALANCE OTHER THAN ABOVE

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity for more than 3 months.*	1,362.67	1,266.91
On escrow accounts		
Unpaid matured deposit	-	-
Unpaid NCD trustee account	12.88	7.33
Unpaid auction surplus deposit	476.38	426.92
Unpaid dividend account	104.08	31.97
Total	**1,956.01**	**1,733.13**

** Includes:*

Cash collateral deposits aggregating to ₹ 978.83 Mn (31 March 2021: ₹ 1,064.17Mn) towards bank facilities. The cash collateral deposits the provided as an additional security to the banks for extending approved bank facilities.

NOTE 10: LOANS VALUED AT AMORTISED COST

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amortised Cost	Total	Amortised Cost	Total
LOANS				
(A)				
i) Gold loan	2,02,878.21	2,02,878.21	1,97,931.68	1,97,931.68
ii) Commercial Vehicle loan (CVD)	16,615.86	16,615.86	10,291.99	10,291.99
iii) Mortgage/Property loan	1,249.08	1,249.08	331.49	331.49
iv) Onlending	315.59	315.59	1,830.90	1,830.90
v) Corporate Finance	9.02	9.02	15.52	15.52
vi) Other loan	7,518.84	7,518.84	2,286.40	2,286.40
Total (A) - Gross	**2,28,586.60**	**2,28,586.60**	**2,12,687.96**	**2,12,687.96**
Less: Impairment loss allowance	1,389.89	1,389.89	2,094.40	2,094.40
-Provision for non performing assets	537.06	537.06	841.87	841.87
-Provision for standard assets	852.83	852.83	1,252.53	1,252.53
Total (A) - Net	**2,27,196.71**	**2,27,196.71**	**2,10,593.56**	**2,10,593.56**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amortised Cost	Total	Amortised Cost	Total
(B)				
i) Secured by tangible assets	2,26,830.89	2,26,830.89	2,11,325.95	2,11,325.95
ii) Unsecured	1,755.71	1,755.71	1,362.01	1,362.01
Total (B) - Gross	2,28,586.60	2,28,586.60	2,12,687.96	2,12,687.96
Less: Impairment loss allowance	1,389.89	1,389.89	2,094.40	2,094.40
Total (B) - Net	**2,27,196.71**	**2,27,196.71**	**2,10,593.56**	**2,10,593.56**
Loans in India				
i) Public Sector	-	-	-	-
ii) Others	2,28,586.60	2,28,586.60	2,12,687.96	2,12,687.96
Total (C)- Gross	**2,28,586.60**	**2,28,586.60**	**2,12,687.96**	**2,12,687.96**
Less: Impairment loss allowance	1,389.89	1,389.89	2,094.40	2,094.40
Total (C) - Net	**2,27,196.71**	**2,27,196.71**	**2,10,593.56**	**2,10,593.56**

SUMMARY OF ECL PROVISIONS

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	429.37	48.69	193.05	671.11	456.93	412.69	212.73	1,082.35
ii) Commercial Vehicle loan (CVD)	145.08	21.62	226.84	393.54	151.81	153.45	328.48	633.74
iii) Mortgage/Property loan	18.70	0.55	7.23	26.48	3.74	1.87	102.18	107.79
iv) Onlending	2.56	-	50.23	52.79	10.41	-	58.61	69.02
v) Corporate Finance	-	-	9.02	9.02	-	-	15.52	15.52
vi) Other loan	181.18	5.08	50.69	236.95	50.94	11.19	123.85	185.98
Total closing ECL provision	**776.89**	**75.94**	**537.06**	1,389.89	**673.83**	**579.20**	**841.37**	**2,094.40**

LOANS OR ADVANCES IN THE NATURE OF LOANS ARE GRANTED TO PROMOTERS,DIRECTORS,KMPS AND OTHER RELATED PARTIES.

Particulars	As at 31-03-2022	% of total loans and advances in the nature of loans	As at 31-03-2021	% of total loans and advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 11: INVESTMENTS

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
As at 31 March 2022				
i) Investment in Governement Securities (Quoted)				
1500000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.30			1,533.30
1500000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.02			1,536.02
ii) Debt Instruments (unquoted)				
Investment in Pass through certificates (PTC's)	66.29	-	-	66.29
iii) Equity instruments in others (Quoted)				
1000, Equity shares of ₹ 10/- each fully paid in CSB Bank Limited (formerly The Catholic Syrian Bank Limited)	-	0.21	-	0.21
iv) Investment in subsidiaries (Unquoted)				
a) Wholly owned subsidiary				
200,000,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited (formerly Manappuram Home Finance Private Limited)	-	-	2,072.90	2,072.90
1,570,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited (formerly Manappuram Insurance Brokers Private Limited)	-	-	26.11	26.11
b) Other subsidiary				
5,19,85,856 ,Equity shares of ₹ 10/- each fully paid in the Asirvad Microfinance Limited (formerly Asirvad Microfinance Private Limited)	-	-	6,860.17	6,860.17
525,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Comptech and Consultants Limited	-	-	59.50	59.50
Advance for investment in subsidiary	-	-	0.37	0.37
Add: ESOP adjustments	-	-	0.00	0.00
Total Gross (A)	**3,135.61**	**0.21**	**9,019.05**	**12,154.87**
i) Investments outside India	-	-	-	-
ii) Investments in India	3,135.61	0.21	9,019.05	12,154.87
Total Gross (B)	**3,135.61**	**0.21**	**9,019.05**	**12,154.87**
Less : Allowance for impairment loss (C)	0.19	-	-	0.19
Total - Net (D) = (A) -(C)	**3,135.42**	**0.21**	**9,019.05**	**12,154.68**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
As at 31 March 2021				
i) Investment in Governement Securities (Quoted)				
1500000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.30			1,533.30
1500000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.02			1,536.02
ii) Debt Instruments (unquoted)				
Investment in Pass through certificates (PTC's)	310.97	-	-	310.97
iii) Equity instruments in others (Quoted)				
1000, Equity shares of ₹ 10/- each fully paid in CSB Bank Limited (formerly The Catholic Syrian Bank Limited)	-	0.22	-	0.22
iv) Investment in subsidiaries (Unquoted)				
a) Wholly owned subsidiary				
200,000,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Home Finance Limited (formerly Manappuram Home Finance Private Limited)	-	-	2,075.81	2,075.81
1,570,000, Equity shares of ₹ 10/- each fully paid in the Manappuram Insurance Brokers Limited (formerly Manappuram Insurance Brokers Private Limited)	-	-	28.92	28.92
b) Other subsidiary				
5,19,85,856 ,Equity shares of ₹ 10/- each fully paid in the Asirvad Microfinance Limited (formerly Asirvad Microfinance Private Limited)	-	-	6,464.34	6,464.34
525,994, Equity shares of ₹ 10/- each fully paid in the Manappuram Comptech and Consultants Limited	-	-	59.50	59.50
Advance for investment in subsidiary	-	-	0.37	0.37
Add: ESOP adjustments	-	-	(6.45)	(6.45)
Total Gross (A)	**3,380.29**	**0.22**	**8,622.49**	**12,003.00**
i) Investments outside India	-	-	-	-
ii) Investments in India	3,380.29	0.22	8,622.49	12,003.00
Total Gross (B)	**3,380.29**	**0.22**	**8,622.49**	**12,003.00**
Less : Allowance for impairment loss (C)	1.31	-	-	1.31
Total - Net (D) = (A) -(C)	**3,378.98**	**0.22**	**8,622.49**	**12,001.69**

Investment designated at FVTPL is a portfolio of equity instruments. Equity instruments have been classified at Fair value through profit and loss since cash flows from equity instruments does not represent solely payment of principal and interest.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 11: INVESTMENTS (CONTD.)

DEBT INSTRUMENTS MEASURED AT AMORTISED COST

CREDIT QUALITY OF ASSETS

Particulars	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High Grade	66.29	-	-	66.29	310.97	-	-	310.97
Standard Grade	-	-	-	-	-	-	-	-
Total	**66.29**	**-**	**-**	**66.29**	**310.97**	**-**	**-**	**310.97**

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount – opening balance	310.97	-	-	310.97	909.21	-	-	909.21
New assets purchased	-	-	-	-	-	-	-	-
Assets derecognised or matured	(244.97)	-	-	(244.97)	(599.59)	-	-	(599.59)
Interest accrued on investment	0.29	-	-	0.29	1.35	-	-	1.35
Closing balance	**66.29**	**-**	**-**	**66.29**	**310.97**	**-**	**-**	**310.97**

Particulars	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	1.31	-	-	1.31	5.05	-	-	5.05
ECL on new assets purchased	-	-	-	-	-	-	-	-
ECL on derecognised or matured assets / others	(1.11)	-	-	(1.11)	(3.74)	-	-	(3.74)
Closing balance in ECL	**0.19**	**-**	**-**	**0.19**	**1.31**	**-**	**-**	**1.31**

NOTE 12: OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits*	977.25	974.29
Commission receivable	2.20	1.64
Funds-in-transit	562.65	434.22
Gold investment	145.13	179.95
Others**	363.76	1,370.02
Total	**2,050.99**	**2,960.12**

** Employee security deposits aggregating to ₹ 461.13Mn (31 March 2021: ₹ 457.59Mn). Deposits aggregating to ₹ 34.84 (31 March 2021: ₹ 34.77) towards security deposit to various authorities.*

*** Includes ex-gratia receivable from State Bank of India amounting to ₹ Nil (31 March 2021: 21.67 Mn). Auction receivable ₹ 32.41Mn (31 March 2021: 99.86Mn).*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 13: CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax and tax deducted at source (net of provisions)	549.66	95.31
Total	**549.66**	**95.31**

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

Particulars	Land-Freehold	Buildings*	Office equipment	Electrical Installation	Computer Equipment**	Furniture and Fixtures	Vehicles	Plant and Equipment	Total
Cost:									
As at 1 April 2020	**274.40**	**1,300.07**	**294.36**	**141.66**	**615.33**	**2,039.68**	**52.39**	**39.57**	**4,757.46**
Additions	60.11	1.08	18.90	10.45	83.34	93.33	5.32	1.41	273.94
Disposals	-	-	5.52	6.09	80.99	16.64	7.40	-	116.64
As at 31 March 2021	**334.51**	**1,301.15**	**307.74**	**146.02**	**617.68**	**2,116.37**	**50.31**	**40.98**	**4,914.76**
Additions	121.72	95.10	28.79	8.97	213.21	463.54	1.25	-	932.58
Disposals	-	-	12.74	2.74	76.87	3.79	5.22	-	101.36
As at 31 March 2022	**456.23**	**1,396.25**	**323.79**	**152.25**	**754.02**	**2,576.12**	**46.34**	**40.98**	**5,745.98**
Accumulated Depreciation:									
As at 1 April 2020	**-**	**104.98**	**199.77**	**84.58**	**342.64**	**818.76**	**19.58**	**10.21**	**1,580.52**
Disposals	-	-	5.45	6.14	80.85	16.58	7.40	-	116.42
Depreciation charge for the year	-	45.02	67.75	36.44	182.04	326.24	7.15	3.83	668.47
As at 31 March 2021	-	**150.00**	**262.07**	**114.88**	**443.83**	**1,128.42**	**19.33**	**14.04**	**2,132.58**
Disposals	-	-	12.70	2.74	76.23	3.79	4.11	-	99.57
Depreciation charge for the year	-	45.57	36.75	23.63	150.20	286.56	7.49	3.82	554.02
As at 31 March 2022	**-**	**195.57**	**286.12**	**135.77**	**517.80**	**1,411.19**	**22.71**	**17.86**	**2,587.02**
Carrying Amount									
As at 31 March 2021	**334.51**	**1,151.15**	**45.67**	**31.14**	**173.85**	**987.95**	**30.98**	**26.94**	**2,782.19**
As at 31 March 2022	**456.23**	**1,200.68**	**37.67**	**16.48**	**236.22**	**1,164.93**	**23.63**	**23.12**	**3,158.96**

No revaluation of any class of asset is carried out during the year.

Title deeds of immovable properties are held in the name of the Company.

**Details of building pledged against borrowings is presented in note 20.*

***Includes Computers taken on finance lease - Gross block ₹ Nil as at 31 March 2022(31 March 2021: ₹ 218.72 Mn). Depreciation for the year ₹ Nil as at March 2022 (31 March 2021: ₹ 40.61Mn), Accumulated Depreciation ₹ Nil as at 31 March 2022 (31 March 2021: ₹ 216.70Mn) Net block ₹ Nil as at 31 March 2022(31 March 2021: ₹ 2.02 Mn).*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 15: OTHER INTANGIBLE ASSETS

Particulars	Computer Software
Cost:	
As at 1 April 2020	**259.44**
Additions	98.08
Disposals	-
As at 31 March 2021	**357.52**
Additions	28.64
Disposals	-
As at 31 March 2022	**386.16**
Accumulated amortisation:	
As at 1 April 2020	**82.92**
Disposals	-
Amortisation charge for the year	55.30
As at 31 March 2021	**138.22**
Disposals	-
Amortisation charge for the year	60.14
As at 31 March 2022	**198.36**
Carrying Amount:	
As at 31 March 2021	**219.30**
As at 31 March 2022	**187.80**

No revaluation of any class of asset is carried out during the year

NOTE 16: OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances	73.55	45.27
Prepaid Expenses	209.18	159.22
Others	112.83	399.18
Total	**395.56**	**603.67**

NOTE 17: DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments such as foreign currency forward and cross currency interest rate swaps to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The below table shows the details of the derivative instruments held by the Company:

Particulars	As at 31 March 2022	As at 31 March 2021
A) Derivatives designated as Cash flow Hedges:		
Forward Contracts	(768.27)	(439.03)
Cross Currency interest rate Swaps	375.23	52.48
Sub total (A)	**(393.04)**	**(386.55)**
B) Other Derivatives		
Cross Currency interest rate Swaps	91.85	40.30
Sub total (B)	**91.85**	**40.30**
Total derivative financial instruments (A) +(B)	**(301.19)**	**(346.25)**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 17.1 HEDGING ACTIVITIES AND DERIVATIVES

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Company's risk management strategy and how it is applied to manage risk are explained in Note 45.

NOTE 17.2 DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS

The company is exposed to foreign currency risk arising from its fixed rate foreign currency denominated bond amounting to USD 300 million. Interest on the borrowing is payable at 5.9% p.a. at half yearly intervals, and the principal amount is repayable in January 2023. The Company economically hedged the foreign currency risk arising from the bond with Forward Rate Agreement and Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Swaps and the Forward rate instruments converts the cash outflows of the foreign currency fixed rate borrowing of USD 300 Mn to cash outflows in Indian Rupees with a notional amount of ₹ 21,288 Mn.

The company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 14.10 million. Interest on the borrowing is payable at 3-6% p.a. and the principal amount is repayable in July 2022. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 14.10 million to cash outflows in Indian Rupees with a notional amount of ₹ 975.72 Mn.

The company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 131.51 Mn. Interest on the borrowing is payable at 6.40 % p.a. and the principal amount is repayable in Sepetmber 2022. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Forward converts the cash outflows of the foreign currency fixed rate borrowing of USD 131.51 Mn to cash outflows in Indian Rupees with a notional amount of ₹ 10,000 Mn.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward currency contract match that of the foreign currency borrowing (notional amount, principal repayment date etc.). The company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward currency contract are identical to the hedged risk components. For the purpose of calculating hedge effectiveness, the company uses a qualitative features to determine the hedge effectiveness.

The reconciliation of cash flow hedge reserve for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Cash flow hedge reserve as at beginning of the year	(105.21)	4.05
Gain/ (loss) recognised in other comprehensive income during the year	(194.42)	(146.01)
Less: Tax impact on the above	48.93	36.75
Amount reclassified to Profit/ Loss account	-	-
Total derivative financial instruments (A) +(B)	**(250.70)**	**(105.21)**

NOTE 18: TRADE PAYABLES

Particulars	As at 31 March 2022	As at 31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises	3.65	0.83
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,081.92	949.52
Total	**1,085.57**	**950.35**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 18(I) DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO,SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	3.65	0.83
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	**3.65**	**0.83**

NOTE 18(II)TRADE PAYABLE AGING SCHEDULE (DISCLOSURE UNDER SCHEDULE III OF COMPANIES ACT,2013)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.18	0.83	-	-	2.01
(ii) Others	227.01	7.05	18.11	50.02	302.19
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-
(v) Unbilled-MSME	1.64	-	-	-	1.64
(vi) Unbilled-Others	698.68	30.67	13.46	36.92	779.73
Total	**928.51**	**38.55**	**31.57**	**86.94**	**1,085.57**

NOTE 19: DEBT SECURITIES

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost		
Commercial Papers (unsecured)	6,941.63	11,420.43
US Dollar Bonds(Secured)	22,929.76	22,044.08
Privately placed redeemable non-convertible debentures (Secured)	45,645.94	62,244.10
Others - Non-convertible Debentures - Public issue (Secured)	2,515.50	3,659.95
Total (A)	**78,032.83**	**99,368.56**
Debt securities in India	55,103.07	77,324.48
Debt securities outside India	22,929.76	22,044.08
Total (B)	**78,032.83**	**99,368.56**

Commercial papers carry interest rates of 4.85%p.a (31 March 2021 :3.45% to 9% p.a) and their tenure ranges from 145 to 155 days (31 March 2021 : 71days to 364 days).

US Dollar Bonds carry interest rates of 5.90% p.a (31 March 2021:5.90% p.a) and their tenure is for 3 years (31 March 2021 : 3 years).

NATURE OF SECURITY

Debentures are secured by a floating charge on the book debts of the Company on gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time. Debentures are offered for a period of 1 year to 10 years.

US Dollar Bonds are secured by way of floating charge on the book debts of the Company on gold and other unencumbered assets.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DETAIL OF REDEEMABLE NON-CONVERTIBLE DEBENTURES

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2022	As at 31 March 2021	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
1	Private Placement	29-Jun-18	29-Jun-21	10,00,000	665	9.50%	665.00	-	665.00	Secured	On Maturity	Listed
2	Private Placement	31-Jul-18	31-Jul-21	10,00,000	168	9.50%	168.33	-	168.33	Secured	On Maturity	Listed
3	Public Issue	29-Nov-18	29-Nov-21	1,000	2,74,444	9.60%	274.44	-	274.44	Secured	On Maturity	Listed
4	Public Issue	29-Nov-18	29-Nov-21	1,000	2,17,458	10.00%	217.46	-	217.46	Secured	On Maturity	Listed
5	Public Issue	29-Nov-18	29-Nov-21	1,000	1,93,893	Zero Coupon	193.89	-	193.89	Secured	On Maturity	Listed
6	Public Issue	6-Mar-19	06-Mar-22	1,000	1,53,131	9.35%	153.13	-	153.13	Secured	On Maturity	Listed
7	Public Issue	6-Mar-19	06-Mar-22	1,000	1,66,041	9.75%	166.04	-	166.04	Secured	On Maturity	Listed
8	Public Issue	6-Mar-19	06-Mar-22	1,000	1,74,749	Zero Coupon	174.75	-	174.75	Secured	On Maturity	Listed
9	Private Placement	20-Mar-13	20-Mar-23	10,00,000	30	13.25%	30.00	30.00	30.00	Secured	On Maturity	Listed
10	Public Issue	29-Nov-18	29-Nov-23	1,000	5,74,214	10.00%	574.21	574.21	574.21	Secured	On Maturity	Listed
11	Public Issue	29-Nov-18	29-Nov-23	1,000	2,99,989	10.40%	299.99	299.99	299.99	Secured	On Maturity	Listed
12	Public Issue	29-Nov-18	29-Nov-23	1,000	1,47,955	Zero Coupon	147.96	147.96	147.96	Secured	On Maturity	Listed
13	Public Issue	6-Mar-19	06-Mar-24	1,000	2,85,001	9.75%	285.00	285.00	285.00	Secured	On Maturity	Listed
14	Public Issue	6-Mar-19	06-Mar-24	1,000	2,05,402	10.15%	205.40	205.40	205.40	Secured	On Maturity	Listed
15	Public Issue	6-Mar-19	06-Mar-24	1,000	89,932	Zero Coupon	89.93	89.93	89.93	Secured	On Maturity	Listed
16	Public Issue	29-Nov-18	29-Nov-25	1,000	3,97,723	Zero Coupon	397.72	397.72	397.72	Secured	On Maturity	Listed
17	Public Issue	6-Mar-19	05-May-26	1,000	2,04,779	Zero Coupon	204.78	204.78	204.78	Secured	On Maturity	Listed
18	Public Issue	Various Dates	Various Dates	1,000	42,309	-	42.31	36.87	42.31	Secured	On Maturity	Unlisted
19	Private Placement	27-Sep-19	27-Sep-21	10,00,000	2,000	10.50%	2,000.00	-	2,000.00	Secured	On Maturity	Listed
20	Private Placement	27-Sep-19	27-Sep-21	10,00,000	50	10.50%	50.00	-	50.00	Secured	On Maturity	Listed
21	Private Placement	27-Sep-19	27-Sep-21	10,00,000	100	10.50%	100.00	-	100.00	Secured	On Maturity	Listed
22	Private Placement	7-Nov-19	7-Nov-22	10,00,000	2,500	9.75%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed
23	Private Placement	18-Nov-19	18-Nov-22	10,00,000	1,800	9.75%	1,800.00	-	1,800.00	Secured	On Maturity	Listed
24	Private Placement	18-Nov-19	18-Nov-22	10,00,000	200	9.75%	200.00	-	200.00	Secured	On Maturity	Listed
25	Private Placement	31-Dec-19	31-Dec-21	10,00,000	520	9.75%	520.00	-	520.00	Secured	On Maturity	Listed
26	Private Placement	31-Dec-19	31-Dec-21	10,00,000	950	9.75%	950.00	-	950.00	Secured	On Maturity	Listed
27	Private Placement	31-Dec-19	31-Dec-21	10,00,000	300	9.75%	300.00	-	300.00	Secured	On Maturity	Listed
28	Private Placement	31-Dec-19	31-Dec-21	10,00,000	480	9.75%	480.00	-	480.00	Secured	On Maturity	Listed
29	Private Placement	31-Dec-19	31-Dec-21	10,00,000	250	9.75%	250.00	-	250.00	Secured	On Maturity	Listed
30	Private Placement	31-Dec-19	31-Dec-21	10,00,000	1,000	9.75%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
31	Private Placement	14-Feb-20	14-Feb-22	10,00,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed
32	Private Placement	14-Feb-20	14-Feb-22	10,00,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed
33	Private Placement	14-Feb-20	14-Feb-22	10,00,000	300	9.25%	300.00	-	300.00	Secured	On Maturity	Listed
34	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,500	9.25%	1,500.00	-	1,500.00	Secured	On Maturity	Listed
35	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,250	9.25%	1,250.00	-	1,250.00	Secured	On Maturity	Listed
36	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,200	9.25%	1,200.00	-	1,200.00	Secured	On Maturity	Listed
37	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,000	9.25%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
38	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,000	9.25%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
39	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
40	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
41	Private Placement	14-Feb-20	14-Feb-23	10,00,000	250	9.25%	250.00	250.00	250.00	Secured	On Maturity	Listed
42	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,750	9.25%	1,750.00	1,750.00	1,750.00	Secured	On Maturity	Listed

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2022	As at 31 March 2021	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
43	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,250	9.25%	1,250.00	1,250.00	1,250.00	Secured	On Maturity	Listed
44	Private Placement	27-Mar-20	27-Mar-23	10,00,000	1,000	9.25%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
45	Private Placement	27-Mar-20	27-Mar-23	10,00,000	750	9.25%	750.00	750.00	750.00	Secured	On Maturity	Listed
46	Private Placement	27-Mar-20	27-Mar-23	10,00,000	250	9.25%	250.00	250.00	250.00	Secured	On Maturity	Listed
47	Private Placement	8-May-20	8-May-23	10,00,000	1,000	9.00%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
48	Private Placement	1-Jun-20	1-Jun-23	10,00,000	5,000	9.10%	5,000.00	5,000.00	5,000.00	Secured	On Maturity	Listed
49	Private Placement	12-Jun-20	12-Dec-21	10,00,000	2,500	8.75%	2,500.00	-	2,500.00	Secured	On Maturity	Listed
50	Private Placement	23-Jun-20	23-Dec-21	10,00,000	500	8.75%	500.00	-	500.00	Secured	On Maturity	Listed
51	Private Placement	23-Jun-20	23-Dec-21	10,00,000	1,000	8.75%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
52	Private Placement	9-Jul-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
53	Private Placement	9-Jul-20	9-Jan-22	10,00,000	750	8.75%	750.00	-	750.00	Secured	On Maturity	Listed
54	Private Placement	9-Jul-20	9-Jan-22	10,00,000	1,400	8.75%	1,400.00	-	1,400.00	Secured	On Maturity	Listed
55	Private Placement	9-Jul-20	9-Jan-22	10,00,000	100	8.75%	100.00	-	100.00	Secured	On Maturity	Listed
56	Private Placement	10-Jul-20	24-Jun-22	10,00,000	1,780	9.00%	1,780.00	1,780.00	1,780.00	Secured	On Maturity	Listed
57	Private Placement	16-Jul-20	24-Jun-22	10,00,000	700	9.00%	700.00	700.00	700.00	Secured	On Maturity	Listed
58	Private Placement	21-Jul-20	21-Jul-22	10,00,000	600	8.50%	600.00	600.00	600.00	Secured	On Maturity	Listed
59	Private Placement	21-Jul-20	21-Jul-22	10,00,000	500	8.50%	500.00	500.00	500.00	Secured	On Maturity	Listed
60	Private Placement	21-Jul-20	21-Jul-22	10,00,000	300	8.50%	300.00	300.00	300.00	Secured	On Maturity	Listed
61	Private Placement	21-Jul-20	21-Jul-22	10,00,000	1,100	8.50%	1,100.00	1,100.00	1,100.00	Secured	On Maturity	Listed
62	Private Placement	31-Jul-20	31-Jan-22	10,00,000	750	8.35%	750.00	-	750.00	Secured	On Maturity	Listed
63	Private Placement	31-Jul-20	31-Jan-22	10,00,000	300	8.35%	300.00	-	300.00	Secured	On Maturity	Listed
64	Private Placement	31-Jul-20	31-Jan-22	10,00,000	1,300	8.35%	1,300.00	-	1,300.00	Secured	On Maturity	Listed
65	Private Placement	31-Jul-20	31-Jan-22	10,00,000	1,000	8.35%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
66	Private Placement	14-Aug-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
67	Private Placement	14-Aug-20	9-Jul-30	10,00,000	400	9.50%	400.00	400.00	400.00	Secured	On Maturity	Listed
68	Private Placement	14-Aug-20	9-Jul-30	10,00,000	350	9.50%	350.00	350.00	350.00	Secured	On Maturity	Listed
69	Private Placement	19-Aug-20	18-Feb-22	10,00,000	1,000	8.35%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
70	Private Placement	20-Aug-20	6-Feb-23	10,00,000	1,500	8.45%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
71	Private Placement	7-Sep-20	7-Mar-23	10,00,000	1,000	8.10%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
72	Private Placement	30-Sep-20	30-Mar-22	10,00,000	500	7.35%	500.00	-	500.00	Secured	On Maturity	Listed
73	Private Placement	22-Dec-20	22-Dec-23	10,00,000	2,500	7.45%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed
74	Private Placement	22-Dec-20	22-Dec-23	10,00,000	1,500	7.45%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
75	Private Placement	28-Jan-21	28-Jan-26	10,00,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
76	Private Placement	28-Jan-21	28-Jan-27	10,00,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
77	Private Placement	28-Jan-21	28-Jan-28	10,00,000	3,000	8.57%	3,000.00	3,000.00	3,000.00	Secured	On Maturity	Listed
78	Private Placement	30-Dec-21	30-Dec-24	10,00,000	2,500	6.95%	2,500	2,500.00	-	Secured	On Maturity	Listed
79	Private Placement	28-Jan-22	28-Feb-24	10,00,000	4,000	6.93%	4,000	4,000.00	-	Secured	On Maturity	Listed
80	Private Placement	28-Jan-22	28-Jan-24	10,00,000	4,000	6.93%	4,000	4,000.00	-	Secured	On Maturity	Listed
Total amount								**46,251.86**	**63,770.34**			
Effective Interest Rate Adjustment								(253.46)	(529.66)			
Interest Accrued but not due								2163.05	2663.37			
Net Amount								**48,161.45**	**65,904.05**			

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 20: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost:		
Term Loan*		
Indian rupee loan from banks (secured)	8,744.90	26,726.93
Foreign currency term loan from banks (secured)	11,035.64	1,029.15
Indian rupee loan from other parties (secured)	6,720.23	6,962.47
Indian rupee loan from other parties (unsecured)	-	82.24
Finance lease obligations	15.04	15.04
Loans repayable on demand		
Cash credit / overdraft facilities from banks (secured)	3,281.77	1.38
Working capital demand loan from banks (secured)	71,423.27	42,162.94
Other loans		
Vehicle loans (Secured)	-	6.39
Total	**1,01,220.85**	**76,986.54**
Borrowings in India**	1,01,220.85	76,986.54
Borrowings outside India	-	-
Total	**1,01,220.85**	**76,986.54**

**Term Loans were fully used for the purpose for which the same were obtained.*

***Includes foreign currency loan borrowed from RBL Bank.*

The Company has not defaulted in repayment of principal and interest during the year and as at balance sheet date 31st March, 2022.

TERM LOAN FROM BANK:

Indian rupee loan from banks (secured): These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 6,733.37Mn (31 March 2021: ₹ 16,816.50Mn)

Foreign currency ECB from Banks (secured):

1) ₹ 975.7 (31 March 2021: ₹ 975.7) which carries interest @ 3 month LIBOR plus 280bps. The loan is repayable after 3 years from the date of its origination, viz., July 25, 2019.

The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company.

Term loan from other parties (secured):

Third party rupee term loan is secured where Interest payments are made quarterly at 6.75 % - 9.20 % pa. The loans is secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO.

Term loan from other parties (unsecured):

Third party rupee term loan is unsecured where interest payments are made quarterly at Nil.

Finance Lease Obligations:

Finance lease obligation is secured by hypothecation of Computers taken on lease. The interest rate implicit in the lease is 11% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 12 quarterly instalments of approx. ₹ Nil (31 March 2021: ₹ 15.04Mn).

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Loans repayable on demand

Cash credit / Overdraft facilities from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 3072.00 (31 March 2021: ₹ 244.70).

Working Capital demand loan from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 22,000.00 (31 March 2021: ₹ 17,800.00).

Other loans

Vehicle Loans: The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

A) Indian rupee loan from banks (secured)

As at March 31, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	3,502.86
Due within 1-2 years	6.50 - 9.75%	2,799.21
Due within 1 year	6.50 - 9.75%	2,496.91
Total		**8,798.98**
Effective interest rate adjustment		(54.08)
Interest Accrued but not due		-
Net Amount		**8,744.90**

As at March 31, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	7.75 -10.25%	3,668.73
Due within 1-2 years	7.75 -10.25%	8,426.54
Due within 1 year	7.75 -10.25%	14,642.17
Total		**26,737.44**
Effective interest rate adjustment		(83.86)
Interest Accrued but not due		73.35
Net Amount		**26,726.93**

B) Indian rupee loan from others (Secured)

As at March 31, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.75 -10.75%	2,576.67
Due within 1-2 years	6.75 -10.75%	649.67
Due within 1 year	6.75 -10.75%	3,508.00
Total		**6,734.34**
Effective interest rate adjustment		(14.11)
Interest Accrued but not due		-
Net Amount		**6,720.23**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

As at March 31, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.60 -10.75%	2,393.00
Due within 1-2 years	8.60 -10.75%	3,403.85
Due within 1 year	8.60 -10.75%	1,128.84
Total		**6,925.69**
Effective interest rate adjustment		(13.75)
Interest Accrued but not due		50.53
Net Amount		**6,962.47**

C) INDIAN RUPEE LOAN FROM OTHERS (UNSECURED)

As at March 31, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	Nil	-
Interest Accrued but not due		-
Net Amount		**-**

As at March 31, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	6.90 -7.50 %	82.24
Interest Accrued but not due		-
Net Amount		**82.24**

D) VEHICLE LOANS (SECURED LOANS)

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 March 2022			As at 31 March 2021		
	Rate of Interest			Rate of Interest		
	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total
	Amount	Amount	Amount	Amount	Amount	Amount
Due within 3-5 years	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-
Due within 1 year	-	-	-	6.39	-	6.39
Grand Total	**-**	**-**	**-**	**6.39**	**-**	**6.39**

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 21: SUBORDINATED LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost:		
Subordinated bonds from others (Unsecured)	6.00	48.10
Total	**6.00**	**48.10**
Subordinate liabilities in India	6.00	48.10
Total	**6.00**	**48.10**

Subordinate bonds from others:

Subordinate bonds have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet as under:

As at 31 March 2022

Particulars	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years	-	-	-	-	-	-	-	-
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	-	-	-	-	-	-
Due within 1 year	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Grand Total	**-**	**-**	**1,472**	**1.47**	**3,542**	**3.54**	**5,014**	**5.01**
Effective Interest rate adjustment								(0.00)
Interest Accrued but not due								0.96
Total								**6.00**

As at 31 March 2021

Particulars	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	-	-	-	-	-	-
Due within 3-4 years							-	-
Due within 2-3 years	-	-	-	-	-	-	-	-
Due within 1-2 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 1 year	-	-	14,852	14.85	12,463	12.46	27,315	27.31
Grand Total	**-**	**-**	**16,324**	**16.32**	**16,005**	**16.00**	**32,329**	**32.32**
Effective Interest rate adjustment								(0.10)
Interest Accrued but not due								15.88
Total								**48.10**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 22: OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Unclaimed matured non-convertible debenture	22.97	9.93
Unclaimed dividend	27.67	31.93
Unclaimed matured subordinate bonds and interest accrued thereon	14.61	9.82
Security deposits	559.05	1,552.63
Auction surplus refundable	475.61	428.14
Employee related payables	764.18	697.01
Others	86.57	13.09
Total	**1,950.66**	**2,742.55**

NOTE 23: PROVISIONS

Particulars	As at 31 March 2022	As at 31 March 2021
Loan commitments	0.29	0.46
Provision for other assets	145.13	179.95
Employee benefits		
- Gratuity	110.60	137.78
- Provision for compensated absences	186.06	171.77
Litigation*	107.10	52.46
Total	**549.18**	**542.42**

MOVEMENT OF PROVISIONS OTHER THAN EMPLOYEE BENEFITS DURING THE YEAR

The movement in provisions during 2021-22 and 2020-21 is, as follows:

Particulars	Litigation	Other Assets	Total
At 31 March 2020	**50.43**	**187.43**	**237.86**
Provided /(reversed) during the year	2.03	(7.48)	(5.45)
As at 31 March 2021	**52.46**	**179.95**	**232.41**
Provided /(reversed) during the year	54.64	(34.82)	19.82
As at 31 March 2022	**107.10**	**145.13**	**252.23**

**Litigation:*

Litigation provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties in civil litigations.

LOAN COMMITMENTS

Credit quality of exposure

Particulars	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Standard assets	1,500.00	-	-	1,500.00	1,515.00	-	-	1,515.00
Sub-standard assets	-	-	-	-	-	-	-	-
Doubtful Assets	-	-	-	-	-	-	-	-
Total	**1,500.00**	**-**	**-**	**1,500.00**	**1,515.00**	**-**	**-**	**1,515.00**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to undisbursed loans is as follows:

Particulars	FY 2021-22				FY 2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,515.00**	**-**	**-**	**1,515.00**	**1,280.00**	**-**	**-**	**1,280.00**
New assets originated or purchased	-	-	-	-	235.00	-	-	235.00
Assets derecognised or repaid	(15.00)	-	-	(15.00)	-	-	-	-
Gross carrying amount closing balance	**1,500.00**	**-**	**-**	**1,500.00**	**1,515.00**	**-**	**-**	**1,515.00**

Reconciliation of ECL balance is given below:

Particulars	FY 2021-22				FY 2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**0.46**	**-**	**-**	**0.46**	**1.72**	**-**	**-**	**1.72**
New assets originated or purchased		-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(0.17)	-	-	(0.17)	(1.26)	-	-	(1.26)
ECL allowance - closing balance	**0.29**	**-**	**-**	**0.29**	**0.46**	**-**	**-**	**0.46**

NOTE 24: OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	562.25	389.60
Retention money and other sundry liabilities	417.62	209.93
Total	**979.87**	**599.53**

NOTE 25: EQUITY SHARE CAPITAL

The reconciliation of equity shares outstanding at the beginning and at the end of the period

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
980,000,000 (31 March 2021: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00
400,000 (31 March 2021: 400,000) preference shares of ₹ 100/- each	40.00	40.00
Total Authorised	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid up		
846,394,729 (31 March 2021:846,364,729) equity shares of ₹ 2/- each	1,692.79	1,692.73
Total Issued, subscribed and fully paid up	**1,692.79**	**1,692.73**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. in Millions	₹ in Millions
As at 1 April 2020	**844.98**	**1,689.99**
Issued during the year - ESOP (refer note 37)	1.38	2.74
As at 31 March 2021	**846.36**	**1,692.73**
Issued during the year - ESOP (refer note 37)	0.03	0.06
As at 31 March 2022	**846.39**	**1,692.79**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2022, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3/- per share (31 March 2021: ₹ 1.25/- per share).In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. in Millions	% holding in the class	No. in Millions	% holding in the class
Mr. Nandakumar V P	244.28	28.86	243.67	28.79
Ms. Sushama Nandakumar	48.00	5.67	48.00	5.67
DSP Small Cap Fund	60.25	7.12	49.34	5.83
Quinag Acquisition (FPI) Ltd	83.79	9.90	83.79	9.90

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.

Shareholding and change in shareholding percentages of promoters

Promoter*	Details of shares as at 31-03-2022		Details of shares as at 31-03-2021		% change during the year**
	No of shares	% of total share	No of shares	% of total share	
V.P.Nandakumar	244277671	28.86%	243672171	28.79%	0.07%
Sooraj Nandan	3674	0.00%	3674	0.00%	0.00%
Sushama Nandakumar	48001078	5.67%	48001078	5.67%	0.00%
Suhas Nandan	17051	0.00%	17051	0.00%	0.00%
Jyoti Prasannan	4474990	0.53%	4462165	0.53%	0.00%

**Promoter means promoter as defined as per Companies Act,2013*

***Percentage change shall be computed with respect to the number at the beginning of the year*

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued 4,495,093 equity shares (31 March 2021: 5,342,593) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 37

The primary objectives of the Company's capital management policy are 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 maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 26: OTHER EQUITY

Securities premium	
As at 1 April 2020	**13,979.99**
Add: Additions on ESOPs exercised	125.12
As at 31 March 2021	**14,105.11**
Add: Additions on ESOPs exercised	3.64
As at 31 March 2022	**14,108.75**

Share option outstanding account	
As at 1 April 2020	**266.72**
Add: Other Additions/ Deductions during the year	(130.33)
As at 31 March 2021	**136.39**
Add: Other Additions/ Deductions during the year	1.16
As at 31 March 2022	**137.55**

Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at 1 April 2020	**11,161.37**
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,406.69
As at 31 March 2021	**14,568.06**
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,609.07
As at 31 March 2022	**17,177.13**

Impairment Reserve	
As at 1 April 2020	**-**
Add/(Less): Amount transferred from /(to) surplus in the Statement of Profit and Loss	-
As at 31 March 2021	**-**
Add/(Less): Amount transferred from /(to) surplus in the Statement of Profit and Loss	439.93
As at 31 March 2022	**439.93**

General reserve	
As at 1 April 2020	**3,627.02**
Utilised during the year	-
As at 31 March 2021	**3,627.02**
Utilised during the year	-
As at 31 March 2022	**3,627.02**

Hedging reserve	
As at 1 April 2020	**(12.84)**
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	3.42
As at 31 March 2021	**(9.42)**
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	13.66
As at 31 March 2022	**4.24**

Retained earnings	
As at 1 April 2020	**22,615.19**
Add: Profit for the year	16,979.19
Less: Appropriations	
Transfer (to)/from debenture redemption reserve	-
Interim dividend on equity shares including tax thereon	(1,057.71)
Transfer to Statutory Reserve	(3,406.69)
Transfer from Share option outstanding account	5.01
As at 31 March 2021	**35,134.99**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Securities premium	
Add: Profit for the year	13,045.37
Less: Appropriations	
Transfer (to)/from debenture redemption reserve	-
Interim dividend on equity shares including tax thereon	(2,539.14)
Transfer to Impairment reserve	(439.93)
Transfer to Statutory Reserve	(2,609.07)
As at 31 March 2022	**42,592.22**

Other comprehensive income	
As at 1 April 2020	**(91.63)**
Movements during the year	(146.03)
As at 31 March 2021	**(237.66)**
Movements during the year	(113.21)
As at 31 March 2022	**(350.87)**

Share application money pending allotment	
As at 1 April 2020	**323.15**
Movements during the year	(323.13)
As at 31 March 2021	**0.02**
Movements during the year	-
As at 31 March 2022	**0.02**
Total other equity	
As at 31 March 2021	**67,324.51**
As at 31 March 2022	**77,735.99**

Nature and purpose of Reserves

Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934): Section 45IC of Reserve Bank of India Act, 1934 ("RBI Act, 1934") defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has transferred an amount of ₹ 2609.07Mn (2020-21 ₹ 3406.69 Mn) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934.

Securities premium: Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Hedge reserve: The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 45. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedge reserve. Amounts recognised in the hedge reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amend the Companies (Share Capital and Debentures) Rules, 2014.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in sub-clause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934. (3) By complying with the above notification, the Company has transferred back ₹ 1,115.33 Millions from DRR to Retained earnings in the financial year ended 31 March 2020 and In respect of the debentures issued during the current year, the Company is not required to create DRR.

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. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. 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.

Share option outstanding account (ESOP reserve): The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37 for further details of these plans.

Other comprehensive income: Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset and fair value changes on derivatives designated as cash flow hedge, net.

Impairment Reserve

The NBFCs will have to compute two types of provisions or loss estimations, ECL as per Ind AS 109 & its internal ECL model and parallelly provisions as per the RBI prudential norms. A comparison between the two is required to be disclosed by the NBFC in the annual financial statements. Where the ECL computed as per the ECL methodology is lower than the provisions computed as per the IRAC norms, then the difference between the two should be parked in "Impairment Reserve". Allocation to Impairment Reserve should be made out of Retained earnings and there are certain restrictions towards utilization of this reserve amount.

NOTE 27: REVENUE FROM OPERATIONS

NOTE 27 (I): INTEREST INCOME

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	41,786.09	48,112.23
- Property loans	47.26	83.32
- Onlending	133.49	485.75
- Commercial vehicles	2,286.10	1,830.22
- Other Loans	914.02	300.58
Interest income from investments	14.73	123.96
Interest on deposits with banks	211.99	441.68
Total	**45,393.68**	**51,377.74**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 27 (II): FEES AND COMMISSION INCOME

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Foreign exchange commission	0.15	0.12
Money transfer commission	31.08	43.09
Total	**31.23**	**43.21**

NOTE 27 (III): DIVIDEND INCOME

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend Income	-	50.24
Total	**-**	**50.24**

NOTE 27 (IV): NET GAIN ON FAIR VALUE CHANGES

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	(0.01)	0.10
- Derivatives	-	-
Total Net gain on fair value changes (A)	**(0.01)**	**0.10**
Fair value changes:		
- Realised	-	-
- Unrealised	(0.01)	0.10
Total Net gain fair value changes (B)	**(0.01)**	**0.10**

NOTE 27 (V): OTHER OPERATING INCOME

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Bad debts recovered	24.57	60.96
Others	178.52	190.39
Total	**203.09**	**251.35**

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2022 and March 31, 2021 by nature of products sold. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue by products / services		
Interest income	45,393.68	51,377.74
Fees and commission	31.23	43.21
Others	203.08	301.69
Total Revenue from operations*	**45,627.99**	**51,722.64**

** The revenue from operations is earned in India.*

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 28: OTHER INCOME

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain on derecognition of property, plant and equipment	9.54	8.35
Provisions no longer required written back	6.54	-
Others	225.90	204.16
Total	**241.98**	**212.51**

NOTE 29: FINANCE COSTS

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial liabilities measured at amortised cost:		
Interest on debt securities	8,395.31	8,214.00
Interest on borrowings	4,282.50	7,703.63
Interest on subordinated liabilities	3.74	7.75
Finance Cost on Lease Liability	580.89	475.60
Other interest expense	655.58	798.77
Total	**13,918.02**	**17,199.75**

NOTE 30: FEES AND COMMISSION EXPENSE

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial liabilities measured at amortised cost:		
Commission paid	260.16	201.78
Total	**260.16**	**201.78**

NOTE 31: IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial instruments measured at amortised cost:		
Loans	**808.12**	**1,302.97**
- Standard assets	(399.87)	599.06
- Non-performing assets	(339.62)	51.07
- Write offs	1,547.61	660.32
- for other assets		(7.48)
Investments	**(1.11)**	**(3.74)**
Total	**807.01**	**1,299.23**

NOTE 32: EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	7,275.97	5,576.70
Contribution to provident and other funds	716.65	528.58
Share based payments to employees	-	6.45
Staff welfare expenses	91.19	134.91
Total	**8,083.81**	**6,246.64**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 33: DEPRECIATION AND AMORTISATION

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of tangible assets	554.02	668.47
Amortisation of intangible assets	60.14	55.30
Depreciation on Right of Use assets	960.44	832.93
Total	**1,574.60**	**1,556.70**

NOTE 34: OTHER EXPENSES

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	259.69	84.02
Energy costs	203.14	218.76
Repairs and maintenance		
- Vehicles	2.57	1.60
- Others	304.13	253.29
Rates and taxes	60.77	105.42
Printing and stationery	93.06	45.61
Travelling and conveyance	192.63	119.49
Advertising and publicity	894.26	421.04
Directors' fees, allowances & expenses	5.57	5.93
Payment to auditors (Refer note (i) below)	9.25	12.57
Insurance	146.11	136.71
Communication costs	394.88	335.97
Legal and professional charges	197.34	160.25
Corporate Social Responsibility expenses (CSR) (Refer note (ii) below)	349.30	278.08
Other expenditure	170.61	79.25
IT Support costs	355.38	382.24
Security charges	89.89	95.30
Total	**3,728.58**	**2,735.53**

NOTE (I) PAYMENT TO AUDITOR

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditors:		
Statutory audit fee	4.80	4.50
Limited reviews	3.95	2.84
Other statutory attest services*	0.50	3.65
Reimbursement of expenses	-	1.59
Total	**9.25**	**12.57**

NOTE (II) DETAILS OF CSR EXPENDITURE

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Gross Amount required to be spent by the Company during the year	349.30	267.16

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

	In cash	Yet to be paid in cash	Total
b) Amount spent during the year ended on March 31, 2022			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	209.30	140.00	349.30

	In cash	Yet to be paid in cash	Total
c) Amount spent during the year ended on March 31, 2021			
i) Construction/acquisition of assets	-	-	-
ii) On purpose other than (i) above	215.11	62.97	278.08

Reason for shortfall in CSR expenditure: The amount remains unspent is pertaining to the ongoing projects and the same have been transferred to CSR unspent account. There were procedural delays in getting permission from statutory authorities to complete the projects which lead to extend the projects more than one year. The amount so transferred will be spend with in a period of 3 years.

Nature of CSR expenditure: CSR projects of Manappuram Finance Ltd are focused on promotion of quality education, promotion of healthcare, Rural development projects, women empowerment, environment sustainability etc which includes both ongoing and one year projects.

Details of related party trasactions with respect to CSR expenditure are showed under note 42.

NOTE 35: INCOME TAX

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, (a) the provision for current and deferred tax has been determined at the rate of 25.17% and (b) the deferred tax assets and deferred tax liabilities as on April 01, 2019 have been restated at 25.17%.

The components of income tax expense for the period ended 31 March 2022 and 31 March 2021 are:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	4,200.10	6,053.32
Adjustment in respect of current income tax of prior years	-	(50.00)
Deferred tax relating to origination and reversal of temporary differences	252.32	(286.99)
Total tax charge	**4,452.42**	**5,716.33**
Current tax	4,200.10	6,053.32
Deferred tax	252.32	(286.99)

Reconciliation of total Income tax expense:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax for computation	17,497.79	22,695.52
Add/(Less): (Allowances) / Disallowances (Net)	(810.87)	1,354.35
Adjusted profit before tax for income tax	16,686.92	24,049.87
Current tax as per Books (Effective rate of 24.00%, 2021: 26.67%)	4,200.10	6,053.32
Adjustment of earlier year taxes	-	(50.00)
Total tax as given in Books	4,200.10	6,003.32
Statutory income tax at the rate of 25.17% (2021 : 25.17%)	4,200.10	6,053.32

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI	Others - Adjusted in Statement of Profit and Loss in Other equity
	31 March 2022	31 March 2022	2021-22	2021-22	2021-22
Provisions for litigations and compensated absences	73.79	-	17.35	-	-
Property, plant and equipment	248.39	-	(12.74)	-	-
Right of use asset (Net of lease liabilities)	178.54	-	65.17	-	-
Impairment allowance for financial assets	214.78	-	(100.93)	-	-
Remeasurement gain / (loss) on defined benefit plan	27.84	-	4.02	(10.86)	-
Derivative instruments in Cash flow hedge relationship	85.39	-	3.44	48.93	-
Debt instrument measured at amortised cost	-	(99.34)	99.54	-	-
Financial assets measured at amortised cost	-	4.15	10.24	-	-
Other temporary differences	13.02	-	(338.41)	-	-
Total	**841.75**	**(95.19)**	**(252.32)**	**38.07**	**-**
Net Deferred tax asset as at 31 March 2022	**746.56**	**-**	**-**	**-**	**-**

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI	Others - Adjusted in Statement of Profit and Loss in Other equity
	31 March 2021	31 March 2021	2020-21	2020-21	2020-21
Provisions for litigations and compensated absences	56.44	-	3.80	-	-
Property, plant and equipment	261.14	-	28.04	-	-
Right of use asset (Net of lease liabilities)	113.36	-	20.17	-	-
Impairment allowance for financial assets	315.71	-	149.84	-	-
Remeasurement gain / (loss) on defined benefit plan	34.68	-	(24.71)	12.37	-
Derivative instruments in Cash flow hedge relationship	33.02	-	2.22	36.75	-
Debt instrument measured at amortised cost	-	(198.88)	14.13	-	-
Financial assets measured at amortised cost	-	(6.10)	(0.71)	-	-
Other temporary differences	351.43	-	94.21	-	-
Total	**1,165.78**	**(204.98)**	**286.99**	**49.12**	**-**
Net Deferred tax asset as at 31 March 2021	**960.80**				

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 36: EARNINGS PER SHARE

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit for calculation of basic earnings per share	13,045.37	16,979.19
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	**84,63,82,729**	**84,57,29,191**
Effect of dilution:		
Stock options granted under ESOP (Nos.)	19,000	29,921
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	**84,64,01,729**	**84,57,59,112**
Basic earnings per share (₹)	15.41	20.08
Diluted earnings per share (₹)	15.41	20.08

NOTE 37: EMPLOYEE STOCK OPTION SCHEME (ESOS)

Employee Stock Option Scheme (ESOS), 2016

The details of the Employee Stock Option Scheme 2016 are as under:

Date of share holders' approval	05 July 2016
Number of options approved	2,52,36,214
Date of grant	08 August 2016
Method of Accounting	The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of grant are: (Rf)Interest Rate: 7.03% to 7.25%; Expected Life: 3 to 5 years; Dividend Yield: 2.95%; Expected Volatility: 49.68%-55.38%
Date of In principle Approval	In principle approval of the BSE was obtained on 20 December 2016 and NSE on 28 December 2016.
Number of options granted	1,37,50,466
Method of settlement	Equity
Graded Vesting	Graded vesting shall happen in a graded basis in three tranches over a period of three years. a) The first tranche of 30% shall be vested when a period of 12 months would expire from the Date of grant; b) The second tranche of 30% shall be vested when a period of 24 months would expire from the Date of grant; c) The third tranche of 40% shall be vested when a period of 36 months would expire from the Date of grant.
Exercisable period	The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised with in a period of one year and 30 days from the date of vesting of the respective tranche through the Exercise Window to apply for ESOS Shares against Options vested with the Eligible Employee in pursuance of the Scheme. However, the Eligible Employee has a right to exercise the Options vested in the first tranche and second tranche on or before the expiry of the Exercise Period of the third tranche, utilising the exercise window which shall be a period of 30 days from the close of each half of the year counted from the date of vesting during the Exercise Period.
Vesting conditions	Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting.
Source of shares	Primary
Variation in terms of options	No Variations made to the term of Scheme

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The Company has adopted ESOS 2016 as per SEBI (Share Based Employee Benefits) Regulation, 2014 and has recorded a compensation expense using the fair value method as set out in those regulations.

The Company has granted 13,750,466 options at an exercise price of 86.45 on 08 August 2016 which will vest over a period of three years from the grant date (08 August 2016) and the vesting of options shall be at 30% each in the first and second year and the balance 40% in the third year from the date of grant.

The summary of the movements in options is given below:

Particulars	31 March 2022	31 March 2021
Options outstanding, beginning of year	70,000	60,60,932
Options granted during the year	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year	-	(46,19,328)
Options Exercised during the year	(30,000)	(13,71,604)
Options unvested and Outstanding at the end of the year	**40,000**	**70,000**

Particulars	31 March 2022	31 March 2021
Weighted average remaining contract life of options	-	-
weighted average market price at the exercise date	-	-

Particulars	Vesting I 8 August 2017 30%	Vesting II 8 August 2018 30%	Vesting III 8 August 2019 40%
Fair Value per vest (₹)	26.11	30.61	34.29
Risk-free interest rate (%)	7.03	7.15	7.25
Expected life	3 years	4 years	5 Years
Expected volatility (%)	49.68	52.66	55.38
Expected dividend yield (%)	2.95	2.95	2.95
Share price on the date of grant (face value of ₹ 10/-)	86.45	86.45	86.45

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility has been considered is the expected life of the option.

NOTE 38: RETIREMENT BENEFIT PLAN

Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 509.74Mn (31 March 2021: ₹ 364.88Mn) for Provident Fund contributions and ₹ 111.78Mn (31 March 2021: ₹ 88.63Mn) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Kotak Life Insurance.

Update on the Code on Social Security, 2020 ('Code')

The Code on Social Security , 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 . The Code has been published in the Gazette of India . However , the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 March 2022	31 March 2021
Current service cost	196.56	170.72
Past Service Cost	-	-
Net Interest on net defined benefit liability/ (asset)	6.98	4.68
Total employer expense	**203.54**	**175.40**

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 March 2022	31 March 2021
Balance at start of year (Loss)/Gain	(169.83)	(120.70)
Actuarial (Loss)/ Gain from changes in financial assumptions	31.45	(21.07)
Actuarial (Loss)/ Gain from experience over the past year	3.98	(26.23)
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	7.71	(1.84)
Balance at end of year (Loss)/Gain	**(126.69)**	**(169.83)**

Experience adjustments

Particulars	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Defined benefit obligation	1118.76	(1009.55)	(831.86)	(604.52)	(465.62)
Fair value of plan assets	1008.15	871.77	645.02	457.81	378.06
Asset/(liability) recognized in the balance sheet	(110.60)	(137.78)	(186.84)	(146.71)	(87.56)
Experience adjustments on plan liabilities (Gain) / Loss	(3.98)	26.23	35.66	29.92	21.88
Experience adjustments on plan assets Gain / (Loss)	7.71	(1.84)	6.37	(5.03)	(4.45)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2022	31 March 2021
Opening defined benefit obligation	1009.56	831.86
Transfer in/out	(22.68)	(21.76)
Interest cost	59.56	51.58
Current service cost	196.56	170.72
Benefits paid	(88.80)	(70.14)
Past service cost	0.00	0.00
Actuarial loss / (gain) from changes in financial assumptions	(31.46)	21.07
Actuarial loss / (gain) from experience over the past year	(3.98)	26.23
Closing defined benefit obligation	**1,118.76**	**1,009.56**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2022	31 March 2021
Opening fair value of plan assets	871.78	645.02
Transfer in/Out	(22.68)	(10.62)
Expected return	52.58	46.88
Contributions by employer	187.58	262.47
Benefits paid	(88.80)	(70.13)
Actuarial gains / (losses)	7.71	(1.84)
Closing fair value of plan assets	**1008.17**	**871.78**
Closing Liability (net) recognised in Balance Sheet	**110.60**	**137.78**
Expected contribution to fund to be made in the next year	200.00	200.00

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	31 March 2022	31 March 2021
Discount rate	6.30%	5.90%
Salary growth rate	8.00%	8.00%
Attrition rate	15.00%	15.00%
Expected rate of return on assets (per annum)	5.90%	6.20%

Percentage Break-down of total plan assets

Particulars	31 March 2022	31 March 2021
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	99.83%	99.99%
Of which, Unit Linked	22.99%	25.69%
Of which, Traditional/ Non-Unit Linked	76.84%	74.30%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.17%	0.01%
Total	**100.00%**	**100.00%**

Assumptions	31 March 2022		31 March 2021	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	(71.99)	81.86	(67.16)	76.63

Assumptions	31 March 2022		31 March 2021	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	79.69	(71.55)	74.30	(66.52)

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 5.5 years (2021: 5.5years)

The fund is administered by Life Insurance Corporation of India ("LIC") and Kotak Life Insurance. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The defined benefit plans expose the Company to a number of actuarial risks as below:

Investment Risks - The company's performance is directly affected by the over- or under-performance of the investment assets of the gratuity plan. Inadequate performance could, among others, increase the future employer contributions.

Interest Rate Risk - This is the risk associated with a rise or fall in the interest rate which could affect liability and asset values. The plan is exposed to the interest rate risk toward its liability and asset values.

Regulatory Risk - The gratuity plan is exposed to multiple regulatory risks e.g., increase in the statutory benefit definition for gratuity. Higher costs from regulatory oversight of organisation pensions or from compliance toward existing trust and funding-related obligations (e.g., minimum funding requirements) contribute to the regulatory risks.

Salary and earnings inflation Risk - The Salary growth rate assumption is the company's estimate of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. In a 'final salary' gratuity plan, the risk of higher earnings-inflation and merit-related salary growth could outweigh the assumptions employed for the valuation and increase the company's future defined benefit obligation.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	31 March 2022	31 March 2021
Discount rate	6.30%	5.90%
Attrition rate	15.00%	15.00%
Salary Growth Rate	8.00%	8.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

NOTE 39: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	15,628.60	-	15,628.60	18,923.61	-	18,923.61
Bank Balance other than above	1,935.12	20.89	1,956.01	1,725.55	7.58	1,733.13
Derivative Financial Instruments	-	-	-	-	-	-
Loans	2,08,380.53	18,816.18	2,27,196.71	2,01,927.06	8,666.50	2,10,593.56
Investments	119.32	12,035.36	12,154.68	284.24	11,717.45	12,001.69
Other Financial assets	2,050.99	-	2,050.99	2,960.12	-	2,960.12
Non-financial Assets						
Current tax assets (net)	549.66	-	549.66	95.31	-	95.31
Deferred tax assets (net)	-	746.56	746.56	-	960.80	960.80
Property, plant and equipment	-	3,158.96	3,158.96	-	2,782.19	2,782.19
Capital work-in-progress	-	107.03	107.03	-	56.99	56.99
Right of Use Asset	-	5,573.38	5,573.38	-	5,609.47	5,609.47

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other Intangible assets	-	187.80	187.80	-	219.30	219.30
Other non financial assets	322.01	73.55	395.56	558.40	45.27	603.67
Total assets	**2,28,986.23**	**40,719.71**	**2,69,705.94**	**2,26,474.29**	**30,065.55**	**2,56,539.84**
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	301.19	301.19	346.25	-	346.25
Payables	1,085.57	-	1,085.57	950.35	-	950.35
Debt Securities	47,953.01	30,079.82	78,032.83	37,753.95	61,614.61	99,368.56
Borrowings (other than debt security)	84,486.73	16,734.12	1,01,220.85	54,142.58	22,843.96	76,986.54
Subordinated Liabilities	6.00	-	6.00	42.27	5.83	48.10
Lease Liability	739.48	5,411.53	6,151.01	634.45	5,303.85	5,938.30
Other Financial liabilities	1,391.62	559.04	1,950.66	2,742.55	-	2,742.55
Non-financial Liabilities						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	549.19	-	549.19	542.42	-	542.42
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	979.87	-	979.87	599.53	-	599.53
Total Liabilities	**1,37,191.47**	**53,085.70**	**1,90,277.17**	**97,754.35**	**89,768.25**	**1,87,522.60**
Net	**91,794.76**	**(12,365.99)**	**79,428.77**	**1,28,719.94**	**(59,702.70)**	**69,017.24**

NOTE 40: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at 31 March 2021	Cash Flows	Ind AS Adjustments	As at 31 March 2022
Debt Securities	99,368.56	(21,010.13)	(325.60)	78,032.83
Borrowings other than debt securities	76,986.54	24,303.36	(69.05)	101,220.85
Subordinated Liabilities	48.10	(42.10)	-0.00	6.00
Total	**176,403.20**	**3251.13**	**(394.65)**	**179,259.68**

Particulars	As at 31 March 2020	Cash Flows	Ind AS Adjustments	As at 31 March 2021
Debt Securities	73,901.52	25,996.70	(529.66)	99,368.56
Borrowings other than debt securities	1,02,620.03	(25,532.14)	(101.35)	76,986.54
Subordinated Liabilities	70.38	(22.18)	(0.10)	48.10
Total	**1,76,591.93**	**442.38**	**(631.11)**	**1,76,403.20**

NOTE 41: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

NOTE 41 (I): CONTINGENT LIABILITIES

(a) Applicability of Kerala Money Lenders' Act

The Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Company has taken legal opinion on the matter and based on such opinion the management is confident of a favourable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	31 March 2022	31 March 2021
i) Income Tax Demand under Appeal before The Commissioner of Income Tax (Appeals) for the Assessment Year 2015-16	307.20	307.20
ii) Income Tax Demand under Regular Assessment for the Assessment Year 2018-19	1.38	1.38
ii) Kerala Value Added Tax demands under appeal pending before The Deputy Commissioner for the Assessment Years 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15 (Excluding Penalty and Interest, if any)	44.94	43.69
Total	**353.52**	**352.27**

b) The company has some labour cases pending against it in various courts and with labour commissioners of various states. The company's liability for these cases are not disclosed since actual liability to be provided is unascertainable.

NOTE 41 (II): COMMITMENTS

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances as on 31st March 2022 is ₹ 77.51Mn(31 March 2021: ₹ 188.60Mn).

(ii) The Company has entered into an agreement for outsourcing of Information Technology support in August 2020 for a period of 5 years with an total expense of ₹ 520Mn.

NOTE 41 (III): LEASE DISCLOSURES (ENTITY AS A LESSEE)

(a) Leases of Branch Premises

(i) Ind AS 116 "Leases" is applied to all lease contracts. The company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of the company and the right of use (ROU) asset at measured at the amount of the initial measurement of the lease liability.

(ii) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(iii) The entity takes branch premises and computers on lease.Below are the changes made during the year in the carrying value of:

-Right-of-use assets

Particulars	Amount
Balance as at March 31, 2020	**4,057.62**
Additions	2,392.88
Deletion	(8.10)
Amortisation on ROU Assets	(832.93)
Balance as at March 31, 2021	**5,609.47**
Additions	924.35
Amortisation on ROU Assets	(960.44)
Balance as at March 31, 2022	**5,573.38**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

-Lease liabilities

Particulars	Amount
Balance as at March 31, 2020	**4,339.03**
Additions	2,392.88
Deletion	(1,269.21)
Amortisation on ROU Assets	475.60
Balance as at March 31, 2021	**5,938.30**
Additions	924.35
Payment of Lease liabilities	(1,292.53)
Finance cost accrued during the period	580.89
Balance as at March 31, 2022	**6,151.01**

- Amounts recognised in profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation expense on right-of-use assets	960.44	832.93
Interest expense on lease liabilities	580.89	475.60

The total cash outflow for leases amount to ₹ 1,292.53 Mn (for the period ended 31 March 2021 ₹ 1,269.21 Mn)

During the year 2021-22, the company has recognised other income of ₹ 2.44 Mn (As on 31-03-2021 ₹ 118.05 Mn) with respect to waiver of lease rentals.

Maturity analysis of Lease Liability

Particulars	31 March 2022	31 March 2021
Not later than one year	739.48	634.45
Later than one year but not later than four years	1,550.23	1,947.30
Later than four years	3,861.30	3,356.55
	6,151.01	**5,938.30**

The entity does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the entity's treasury function.

(b) Leases of Computers

These leases are non-cancellable and has no escalation clause. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

Particulars	31 March 2022	31 March 2021
Total minimum lease payments at the year end	-	15.06
Less: amount representing finance charges	-	0.85
Present value of minimum lease payments	-	14.21
Lease payments for the year	-	36.46
Minimum lease Payments	-	
Less than one year [Present value as on 31 March 2022: ₹ Nil , Present value as on 31 March 2021: ₹ 14.21]	-	15.06
Later than one year but not later than five years [Present value on March 31, 2022: ₹ Nil , as on March 31 ,2021: ₹ Nil]	-	-

(c) Lease of Short Period (Less than 12 months)

The leases of certain premises are less than 12 months and hence are considered as short term leases and are exempted from the scope of leases under Ind AS 116.

During the year, the Company charged off ₹ 105.75 Mn(Previous year ₹ 96.37 Mn) as rent expenses on short term leases.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 42: RELATED PARTY DISCLOSURES

Relationship	Name of the party
Subsidiary company	Manappuram Home Finance Limited
	Asirvad Microfinance Limited
	Manappuram Insurance Brokers Limited
	Manappuram Comptech and Consultants Limited
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.	Manappuram Jewellers Limited
	Manappuram Agro Farms Limited
	Manappuram Foundation
	Manappuram Health Care Limited
	Manappuram Construction and Consultants Limited
	Manappuram Chit Funds Company Private Limited *
	MABEN Nidhi Limited
	Manappuram Asset Finance Limited
	Manappuram Chits (Karnataka) Private Limited *
	Manappuram Chits India Limited
	Adlux Medicity and Convention Centre Private Limited
	MAFIN Enterprise *
	Manappuram travels
	Manappuram Chits *
	DTA Advisory Pvt Ltd*
	DTB Advisory Pvt Ltd*
	DT3 Advisory Pvt Ltd*
	Lions Coordination committee of India association
	Finance Industry Development Council
	LICHFL Trustee Company Pvt Ltd*
	FINTECH Products and Solutions (India)Pvt Ltd*
	FINSEC AA Solutions Pvt Ltd*
	Apax Partners India Private Limited
	Mukundapuram Educational Society
	Orange Retail Finance India Private Limited*
	Manappuram Group Gratuity Trust(Approved under IT Act)
	JSW Industrial Gases Pvt Ltd*
	Veritas Finance Private Limited*
	NETAFIM Agricultural Financing Agency Pvt ltd*
	VISTAAR Financial services Pvt Ltd*
	SNST Advisories Pvt Ltd*
	Best Value Money Exchange Ltd *
	Cashpor Micro Credit *
	CDP (Climate Disclosure Project) India Ops Pvt Ltd*
	Fast Encash Money Transfer Services-Uk*
	Gateway Gardens (Block B) Management Ltd*
	Satsure Analytics India Pvt Ltd*
	Value Finance Corporation Limited*
	Value Finance Ltd*
	Lions Club International*
	IIM Calicut*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Manappuram Finance Staff Welfare Fund
	Banking, Financial Services And Insurance(BFSI)*
	Morgan & Harvey Services Ltd*
Key Management Personnel	Mr. V P Nandakumar - Managing Director & CEO
	Mr. Shailesh J Mehta-Chairman
	Mr.Jagdish Capoor - Ex Chairman
	Mr. B.N Raveendra Babu - Non Executive Director
	Mrs. Bindu AL - Chief Financial Officer
	Mr. Manoj Kumar VR - Company Secretary
	Mr.P.Manomohanan-Director
	Adv.V.R.Ramachandran-Director
	Mr.Gautam Ravi Narayan - Director
	Ms. Sutapa Banerjee-Director
	Mr. Abhijit Sen-Director
	Mr. Harshan Kollara-Director
	Mr.S R Balasubramanian
Relatives of Key Management Personnel	Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar)
	Mr. Sooraj Nandan (son of Mr. V P Nandakumar)*
	Mrs Sumitha Jayshankar(daughter of Mr. V P Nandakumar)*
	Mr. Suhas Nandan (son of Mr. V P Nandakumar)
	Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar)*
	Mrs.Jyothi Prasannan(sister of Mr.V.P.Nandakumar)*
	Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)*
	Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu)*
	Mr.Benny V.L (Husband of Mrs. Bindu A L)*
	Jayasankar S (Relative of Mr. V.P Nandakumar)*
	Shruthi (Relative of Mr. V.P Nandakumar)*
	Niniraj (Relative of Mr. V.P Nandakumar)*
	Bobby Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Leena NS (Relative of Mr. V.R. Ramachandran)*
	Anju VR (Relative of Mr. V.R. Ramachandran)*
	Subhadra Manomohan (Relative of Mr. P.Manomohanan)*
	Sajith (Relative of Mr. P.Manomohanan)*
	Asha (Relative of Mr. P.Manomohanan)*
	Balachandran (Relative of Mr. P.Manomohanan)*
	Suresh Kumar (Relative of Mr. P.Manomohanan)*
	Ragunath (Relative of Mr. P.Manomohanan)*
	Sreedharan (Relative of Mr. P.Manomohanan)*
	Archna Anand (Relative of Mr. Gautam Narayan)*
	Ravi Narayanyan (Relative of Mr. Gautam Narayan)*
	Gomathy Narayan (Relative of Mr. Gautam Narayan)*
	Advait Gautam Narayan (Relative of Mr. Gautam Narayan)*
	Gauri Narayan (Relative of Mr. Gautam Narayan)*
	Mr. Aniruddha Bhaskar Banerjee (Relative of Ms. Sutapa Banerjee)*
	Mr Joydeb Banerjee (Relative of Ms. Sutapa Banerjee)*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Smt. Nibedita Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Diya Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Suchandra Baneriee (Relative of Ms. Sutapa Banerjee)*
	Tamashree Sen (Relative of Mr. Abhijit Sen)*
	Arati sen (Relative of Mr. Abhijit Sen)*
	Rohan Sen (Relative of Mr. Abhijit Sen)*
	Vivek Sen (Relative of Mr. Abhijit Sen)*
	Snehal Naik (Relative of Mr. Abhijit Sen)*
	Amanda Barbee (Relative of Mr. Abhijit Sen)*
	Bishwajit Sen (Relative of Mr. Abhijit Sen)*
	Nandakumar Kollara (Relative of Mr. Harshan Kollara)*
	Jaihari Kollara (Relative of Mr. Harshan Kollara)*
	Mrs.Elena T Kollara (Relative of Mr. Harshan Kollara)*
	Dr.Sugathan Kollara (Relative of Mr. Harshan Kollara)*
	Mr. Sreenath Kollara (Relative of Mr. Harshan Kollara)*
	Sarala K S (Relative of Mr. Harshan Kollara)*
	Jayanthy K S (Relative of Mr. Harshan Kollara)*
	Sunitha K S (Relative of Mr. Harshan Kollara)*
	Sameet S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Kirtee S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Sheetal Fisher (Relative of Mr. Shailesh J. Mehta)*
	Sean Fisher (Relative of Mr. Shailesh J. Mehta)*
	Sanjay Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Umesh Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Siji M G (Relative of Mr. Manoj Kumar V R)*
	V K Raman (Relative of Mr. Manoj Kumar V R)*
	V K Vilasini (Relative of Mr. Manoj Kumar V R)*
	Harikrishna M Manoj (Relative of Mr. Manoj Kumar V R)*
	Naveen (Relative of Mr. Manoj Kumar V R)*
	Kumar V R (Relative of Mr. Manoj Kumar V R)*
	Praveen V R (Relative of Mr. Manoj Kumar V R)*
	Geetha V R (Relative of Mr. Manoj Kumar V R)*
	Benny (Relative of Mrs. Bindhu AL)*
	Lonappan (Relative of Mrs. Bindhu AL)*
	Rosily Lonappan (Relative of Mrs. Bindhu AL)*
	Amal Benny (Relative of Mrs. Bindhu AL)*
	Anna Ben (Relative of Mrs. Bindhu AL)*
	Biju A L (Relative of Mrs. Bindhu AL)*
	Nelson A L (Relative of Mrs. Bindhu AL)*

** No transactions with these related parties*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Related Party transactions during the year:

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Debentures and Subordinate Bond redeemed during the year	-	-	-	-	-	-	-	-
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	-	-
Equity contribution	395.44	217.92	-	-	-	-	-	-
Asirvad Micro Finance Limited	395.44	217.92	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Mrs. Shelly Ekalavyan	-	-	-	-	-	-	-	-
Sitting Fee to Directors:	-	-	-	-	5.10	5.77	-	-
Mr.Abhijit Sen	-	-	-	-	0.77	0.81	-	-
Mr.Harshan Kollara	-	-	-	-	0.76	0.53	-	-
Mr.Jagdish Capoor	-	-	-	-	0.28	0.70	-	-
Mr.P Manomohanan	-	-	-	-	0.63	1.24	-	-
Mr.Shailesh J. Mehta	-	-	-	-	0.88	0.55	-	-
Mrs.Sutapa Banerjee	-	-	-	-	0.83	0.81	-	-
Mr.V.R. Ramachandran	-	-	-	-	0.69	1.13	-	-
Mr.Balasubrahmanian	-	-	-	-	0.26	-	-	-
Remuneration to Directors	-	-	-	-	95.62	76.41	-	-
Mr. V.P.Nandakumar	-	-	-	-	95.62	75.00	-	-
Mr. Raveendra Babu	-	-	-	-	-	1.41	-	-
Remuneration to other KMPs	-	-	-	-	13.21	13.43	-	-
Ms. Bindu A.L	-	-	-	-	9.68	10.32	-	-
Mr. Manoj Kumar V R	-	-	-	-	3.53	3.11	-	-
Remuneration paid to Relative of KMP	-	-	-	-	-	-	1.33	1.16
Mr. Suhas Nandan	-	-	-	-	-	-	1.33	1.16
Travelling Expense paid	-	-	1.95	1.54	-	-	-	-
Manappuram Travels	-	-	1.95	1.54	-	-	-	-
Reimbursement of Travelling expense	-	-	-	-	-	-	-	-
Mr. V.P.Nandakumar	-	-	-	-	-	-	-	-
Mr. Raveendra Babu	-	-	-	-	-	-	-	-
Rent waived	-	-	5.74	-	-	-	-	-
Manappuram Foundation	-	-	5.74	-	-	-	-	-
Transfer of vehicle (Donation)	-	-	1.15	-	-	-	-	-
Manappuram Foundation	-	-	1.15	-	-	-	-	-
CSR Paid	-	-	269.11	213.67	-	-	-	-
Manappuram Foundation	-	-	269.11	213.67	-	-	-	-
Payment to	-	-	189.82	261.76	-	-	-	-
Lions Co-Ordination Committee Of India Association	-	-	-	0.08	-	-	-	-
Manppuram Group Gratuity Trust (Approved)			189.82	261.68				
Rent Paid	-	-	5.57	5.34	-	-	0.15	0.15
Mr. Suhas Nandan	-	-	-	-	-	-	0.15	0.15
Manappuram Agro Farms Limited	-	-	5.57	5.34	-	-	-	-

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Reimbursement of Rent & Expenses	**-**	**-**	**-**	**1.90**	**-**	**-**	**-**	**-**
Manappuram Foundation	-	-	-	1.90	-	-	-	-
Rent Received	**4.62**	**3.54**	**5.43**	**5.09**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	-	-	4.04	0.38	-	-	-	-
Manappuram Agro Farms Limited	-	-	1.39	0.09	-	-	-	-
Manappuram Insurance Brokers Limited	2.62	2.19			-	-	-	-
Manappuram Foundation	-	-	-	4.62	-	-	-	-
Manappuram Comptech and Consultants Ltd	2.00	1.33	-	-	-	-	-	-
Electricity Charge Received	**0.51**	**0.48**	**0.49**	**0.56**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	-	-	0.40	0.42	-	-	-	-
Manappuram Insurance Brokers Limited	0.51	0.48			-	-	-	-
Manappuram Foundation	-	-	-	0.07	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.09	0.07	-	-	-	-
Purchase of assets & others	**-**	**11.14**	**31.66**	**0.01**	**-**	**-**	**-**	**-**
Manappuram Comptech and Consultants Ltd		11.14	-	-	-	-	-	-
Manappuram Foundation	-	-	-	0.01	-	-	-	-
Manappuram Agro Farms Limited (Purchase of Land)	-	-	31.66	-	-	-	-	-
Subscription Fee paid	**-**	**-**	**0.05**	**0.05**	**-**	**-**	**-**	**-**
Finance Industry Development Council	-	-	0.05	0.05	-	-	-	-
Advertisement expense	**-**	**-**	**0.13**	**0.03**	**-**	**-**	**-**	**-**
Finance Industry Development Council	-	-	0.03	0.03	-	-	-	-
Lions Co-Ordination Committee Of India Association	-	-	0.10	-	-	-	-	-
Rent & Other income received	**18.16**	**12.60**	**-**	**4.01**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	16.96	12.39	-	-	-	-	-	-
Manappuram Foundation	-	-	-	4.01	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	0.30	0.15	-	-	-	-	-	-
Asirvad Micro Finance Limited	0.90	0.06	-	-	-	-	-	-
Reimbursement expense paid	**-**	**-**	**-**	**-**	**0.18**	**-**	**-**	**-**
Mr. V.P.Nandakumar	-	-	-	-	0.18	-	-	-
Sushama Nandakumar	-	-	-	-	-	-	-	-
Education and Training Services provided	**8.30**	**1.58**	**6.40**	**-**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	-	-	0.69	-	-	-	-	-
Manappuram Insurance Brokers Limited	1.34	-	-	-	-	-	-	-
Asirvad Micro Finance Limited	6.39	1.58	-	-	-	-	-	-
Maben Nidhi Limited	-	-	2.05	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	1.65	-	-	-	-	-
Manappuram Chits India Limited	-	-	0.94	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	0.57	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.25	-	-	-	-	-
Manappuram Health Care Ltd	-	-	0.63	-	-	-	-	-
Manappuram Construction and Consultants Limited	-	-	0.19	-	-	-	-	-

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Consultation Charge Paid	**-**	**0.16**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Comptech and Consultants Ltd	-	0.16	-	-	-	-	-	-
Technical Charges Paid	**72.28**	**41.81**		**-**	**-**	**-**	**-**	**-**
Manappuram Comptech and Consultants Ltd	72.28	41.81		-	-	-	-	-
Other Expenses paid	**0.20**	**0.13**	**1.01**	**2.51**	**-**	**-**	**-**	**-**
Manappuram Agro Farms Limited	-	-	1.01	0.92	-	-	-	-
Manappuram Comptech and Consultants Ltd	-	0.13	-	-	-	-	-	-
Manappuram Home Finance Limited	0.20							
Manappuram Construction and Consultants Limited	-	-	-	1.21	-	-	-	-
Manappuram Health Care Ltd	-	-	-	0.37	-	-	-	-
Maintenance and Repairs paid	**4.41**	**-**	**0.19**	**-**	**-**	**-**	**-**	**-**
Manappuram Comptech and Consultants Ltd	4.41	-	-	-	-	-	-	-
Manappuram Construction and Consultants Limited	-	-	0.19	-	-	-	-	-
Commission expense on Money Transfer	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**
Manappuram Asset Finance Limited	-	-	0.00	-	-	-	-	-
Staff Welfare Expenses paid	**-**	**-**	**2.33**	**-**	**-**	**-**	**-**	**-**
Manappuram Health Care Ltd	-	-	1.18	-	-	-	-	-
Adlux Medicity And Convention Centre Private Ltd	-	-	1.15	-	-	-	-	-
Incentive Paid	**0.15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Asirvad Micro Finance Limited	0.15	-	-	-	-	-	-	-
Construction Expenses	**-**	**-**	**46.25**	**37.73**	**-**	**-**	**-**	**-**
Manappuram Construction and Consultants Limited	-	-	46.25	37.73	-	-	-	-
Monthly usage charges paid	**-**	**3.42**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Comptech and Consultants Ltd	-	3.42	-	-	-	-	-	-
Money Transfer - Principal amount paid	**-**	**-**	**0.04**	**-**	**-**	**-**	**-**	**-**
Manappuram Asset Finance Limited	-	-	0.04	-	-	-	-	-
Amount Paid to	**-**	**-**	**23.48**	**-**	**-**	**-**	**-**	**-**
Manappuram Finance Staff Welfare Fund	-	-	23.48	-	-	-	-	-
Gratuity Transferred	**21.49**	**-**	**1.26**	**-**	**-**	**-**	**-**	**-**
Asirvad Micro Finance Limited	12.17	-	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	1.47	-	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	0.90	-	-	-	-	-	-	-
Manappuram Jewellers Limited	-	-	0.04	-	-	-	-	-
Manappuram Foundation	-	-	1.11	-	-	-	-	-
Manappuram Foundation - Mukundapuram	-	-	0.11	-	-	-	-	-
Manappuram Home Finance Limited	6.95	-	-	-	-	-	-	-
Dividend Income received	**-**	**50.24**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Insurance Brokers Limited	-	50.24	-	-	-	-	-	-

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Interest Income	**7.66**	**8.49**	**1.34**	**8.05**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	7.66	8.49	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	1.34	3.39	-	-	-	-
Spandana Sphoorty Financial Limited	-	-	-	4.66	-	-	-	-
Interest Expense	**10.00**	**13.41**	**-**	**-**	**-**	**-**	**-**	**-**
Asirvad Micro Finance Limited	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	10.00	13.41	-	-	-	-	-	-
Loan taken from	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Asirvad Micro Finance Limited	-	-	-	-	-	-	-	-
Corporate loan given to	**550.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	550.00	-	-	-	-	-	-	-
Repayment of Corporate loan from	**550.00**	**290.00**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	550.00	290.00	-	-	-	-	-	-
Spandana Sphoorty Financial Limited	-	-	-	-	-	-	-	-
Principal Repayment on Assignment transaction	**12.17**	**17.24**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	12.17	17.24						
Receipt of Principal on account of Securitisation	**-**	**-**	**14.27**	**21.81**	**-**	**-**	**-**	**-**
Manappuram Asset Finance Limited	-	-	14.27	21.81	-	-	-	-
Sale of Loan assets through Assignment transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	-	-	-	-	-	-	-	-
Invesment in Pass through certificates (PTC's)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-
Sale of Assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.55**
Mrs Sumitha Jayshankar	-	-	-	-	-	-	-	0.55
Balance outstanding as at the year end:								
Investment in Subsidiary company	**9,018.69**	**8,622.12**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	2,072.90	2,072.90	-	-	-	-	-	-
Asirvad Micro Finance Limited	6,860.18	6,463.61	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	26.11	26.11	-	-	-	-	-	-
Manappuram Comptech and Consultants Ltd	59.50	59.50	-	-	-	-	-	-
Security Deposit	**1.03**	**1.03**	**0.39**	**0.39**	**-**	**-**	**-**	**-**
Manappuram Foundation	-	-	0.19	0.19	-	-	-	-
Manappuram Jewellers Limited	-	-	0.16	0.16	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.04	0.04	-	-	-	-
Manappuram Insurance Brokers Limited	1.03	1.03	-	-	-	-	-	-
Corporate Loan Outstanding	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Manappuram Home Finance Limited	-	-	-	-	-	-	-	-
Spandana Sphoorty Financial Limited		-		-				
Invesment in Pass through certificates (PTC's) Outstanding	**-**	**-**	**-**	**14.38**	**-**	**-**	**-**	**-**
Manappuram Asset Finance Limited		-	-	14.38	-	-	-	-

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Subsidiary Company		Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Amounts receivable (net) from related parties	**-**	**0.01**	**-**	**0.15**	**-**	**-**	**-**	**-**
Manappuram Construction and Consultants Limited	-	-	-	-	-	-	-	-
Manappuram Home Finance Limited	-	0.01	-	-	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	-	-	-	-	-	-
Manappuram Jewellers Limited	-	-	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	0.15	-	-	-	-
Amounts payable (net) to related parties	**48.22**	**4.68**	**6.46**	**8.00**	**110.04**	**105.00**	**0.01**	**-**
Mr. V.P.Nandakumar	-	-	-	-	80.00	75.00	-	-
Mr.Abhijit Sen	-	-	-	-	4.40	3.80	-	-
Mr.Harshan Kollara	-	-	-	-	3.80	2.80	-	-
Mr.Jagdish Capoor	-	-	-	-	1.40	4.00	-	-
Mr.P Manomohanan	-	-	-	-	2.82	2.80	-	-
Mr.Shailesh J. Mehta	-	-	-	-	6.50	5.00	-	-
Mrs.Sutapa Banerjee	-	-	-	-	3.50	2.80	-	-
Mr.V.R. Ramachandran	-	-	-	-	3.52	2.80	-	-
Mr.Balasubrahmanian	-	-	-	-	2.10	-	-	-
Mr. Suhas Nandan	-	-	-	-	-	-	0.01	-
Mr. Raveendra Babu	-	-	-	-	-	6.00	-	-
Manappuram Comptech and Consultants Ltd	44.57	2.68	-	-	-	-	-	-
Manappuram Construction and Consultants Limited	-	-	3.90	6.79	-	-	-	-
Manappuram Insurance Brokers Limited	-	-	-	-	-	-	-	-
Manappuram Travels	-	-	-	0.88	-	-	-	-
Asirvad Micro Finance Limited	0.18		-	-	-	-	-	-
Manappuram Home Finance Limited	3.47	2.00	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	0.32	0.33	-	-	-	-
Manappuram Finance Staff Welfare Trust	-	-	2.24	-	-	-	-	-
Ms. Bindu A.L	-	-	-	-	2.00	-	-	-

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

b) Loans given to related parties are repayable on demand. These loans carry interest @ 11.15%.

c) The loans have been utilised by the Manappuram Home Finance Limited for lending Home Loan and meeting the working capital requirements.

d) Manappuram Home Finance Limited has used the loan for meeting the working capital requirements.

e) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 43: CAPITAL

CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are 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 maximise 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.

The Company's debt equity ratio as on 31st March 2022 stands at 2.26 times (2.56 times as at 31 March 2021).

During the year ended March 31, 2022, the Company has paid the interim dividend of ₹ 3 per equity share for the year ended March 31, 2022 amounting to ₹ 2539.14 Mn (1.25 per equity share amounting to ₹ 1057.71 Mn for the year ended March 31 2021.)

Regulatory capital	31 March 2022	31 March 2021
Common Equity Tier1 (CET1) capital	76,409.16	65,700.60
Other Tier 2 capital instruments	777.37	659.14
Total capital	**77,186.53**	**66,359.74**
Amount of subordinated debt raised as Tier-II Capital	-	1.00
Amount raised by issue of Perpetual Debt Instrument	-	-
Risk weighted assets	**2,46,386.11**	**2,28,633.19**
CET1 capital ratio	31.01%	28.74%
CET2 capital ratio	0.32%	0.29%
Total capital ratio	31.33%	29.02%

NOTE 44: FAIR VALUE MEASUREMENT

44.1 VALUATION PRINCIPLES

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 , 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.

44.2 VALUATION GOVERNANCE

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units . Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

44.3 ASSETS AND LIABILITIES BY FAIR VALUE HIERARCHY

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Derivative financial instruments	-	-	-	-	-	-	-	-
Cross Currency Swaps	-	467.08	-	467.08	-	92.78	-	92.78
Forward Rate Agreements	-		-	-	-		-	-
Total derivative financial instruments	**-**	**467.08**	**-**	**467.08**	**-**	**92.78**	**-**	**92.78**
Financial investments								
Equity Shares	0.21	-	-	0.21	0.22	-	-	0.22
Total financial investments	**0.21**	**-**	**-**	**0.21**	**0.22**	**-**	**-**	**0.22**
Total assets measured at fair value on a recurring basis	**0.21**	**467.08**	**-**	**467.29**	**0.22**	**92.78**	**-**	**93.00**
Assets measured at fair value on a non-recurring basis	-	-	-	-	-	-	-	-
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments								
Forward contracts	-	(768.27)	-	(768.27)	-	(439.03)	-	(439.03)
Cross Currency Swaps	-	-	-	-	-	-	-	-
Total derivative financial instruments	**-**	**(768.27)**	**-**	**(768.27)**	**-**	**(439.03)**	**-**	**(439.03)**
Liabilities measured at fair value on a non-recurring basis	-	(768.27)	-	(768.27)	-	(439.03)	-	(439.03)

44.4 VALUATION TECHNIQUES

Equity instruments

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. The Company uses prices from prior transactions without adjustment to arrive at the fair value. Prior transaction represents the price at which same investment was sold in the deal transaction.

Cross Currency Swaps

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Interest rate derivatives

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Movements in Level 3 financial instruments measured at fair value

There are no Level 3 financial assets and liabilities which are recorded at fair value.

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Level	Carrying Value		Fair Value	
		31 March 2022	31 March' 2021	31 March 2022	31 March' 2021
Financial assets					
Cash and cash equivalents	2	15,628.60	18,923.61	15,628.60	18,923.61
Bank Balance other than above	2	1,956.01	1,733.13	1,956.01	1,733.13
Loans	3	2,27,196.71	2,10,593.56	2,27,196.71	2,10,593.56
Investments	3	9,085.15	8,932.15	9,085.15	8,932.15
Investments	1	3,069.53	3,069.54	3,000.18	2,999.59
Derivative financial instruments	2	-	-	-	-
Other Financial assets	2	2,050.99	2,960.12	2,050.99	2,960.12
Total financial assets		**2,58,986.99**	**2,46,212.11**	**2,58,917.64**	**2,46,142.16**
Financial Liabilities					
Derivative financial instruments	2	301.19	346.25	301.19	346.25
Payables	2	1,085.57	950.35	1,085.57	950.35
Debt Securities	2	78,032.83	99,368.56	78,032.83	99,368.56
Borrowings (other than debt security)	2	1,01,220.85	76,986.54	1,01,220.85	76,986.54
Subordinated Liabilities	2	6.00	48.10	6.00	48.10
Lease Liability	2	6,151.01	5,938.30	6,151.01	5,938.30
Other Financial liabilities	2	1,950.66	2,742.55	1,950.66	2,742.55
Financial Liabilities		**1,88,748.11**	**1,86,380.65**	**1,88,748.11**	**1,86,380.65**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation methodologies of financial instruments not measured at fair value

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 financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

Fair value of Loans estimated using a discounted cash flow model on contractual cash flows using actual/estimated yields.

Borrowings

The floating rate loans are fair valued on the basis of MCLR+spread. For fixed rate loans, the carrying values are are a reasonable approximation of their fair value.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 45: RISK MANAGEMENT

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial institution, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes Credit, Liquidity, Market and Operational Risks. Company's goal in risk management is to ensure that it understands measures and monitors the various risks that arise and the organization adheres strictly to the policies and procedures which are established to address these risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The Board of Directors of the company are responsible for the overall risk management approach, approving risk management strategies and principles. Risk Management Committee of the Board reviews credit, operations and market risks faced by MAFIL periodically.Company has appointed a Chief Credit Officer who reports to MD & CEO and presenting risk related matters to Risk Management Committee and the Board.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. As the company predominantly lend against gold jewellery, which are liquid securities, its credit risks are comparatively lower. Its other verticals, Micro Finance, Vehicle Finance, Micro loans etc have significant credit risk.

Appraisal Risk: The borrowers are awarded risk grades and only eligible borrowers are financed. Besides continuous training of employees through digital media, Credit officers are imparted on the job and class room training on a continuous basis. Credit appraisal processes are being reviewed regularly by Credit Monitoring teams and credit auditors and more risk filters are added whenever necessary.

Collection risk: As the gold ornaments are liquid, collection in gold portfolio attaches minimal risks. We have developed a team of trained Relationship Managers and sales staff for continuous engagement with the borrowers under verticals like Micro Finance, Vehicle Finance, Housing loans, Micro loans etc to ensure timely payment of their dues. Collection efficiency of verticals are being monitored closely by the Senior Management.

Concentration risk: As on 31/03/2022, our gold loan portfolio is 89% of our consolidated AUM. Gold loans are granted against liquid securities for short period which substantially insulates from credit risk and liquidity risk. We have already diversified into Micro Finance, Home Finance, Commercial Vehicles and budget to grow the new verticals so as to contain our exposure to gold to 50% of the total AUM in ten years. Our geographical presence is largely in the southern India. We are now giving thrust for opening new branches in north and north eastern states which have high growth potentials. A geographical exposure limit will be fixed when operations of the new branches are stabilised.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks.
- Maintain an appropriate credit administration and loan review system.
- Establish metrics for portfolio monitoring.
- Minimize losses due to defaults or untimely payments by borrowers.
- Design appropriate credit risk mitigation techniques.

In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations ow whether Stage 2 is appropriate.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Exposure at Default (EAD)

The outstanding balance at the reporting date adjusted for subsequent realisations in the case of Gold Loan, is considered as EAD by the Company. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past 6 years. For those pools where historical information is not available, the PD rates as stated by external reporting agencies is considered.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that there are certain adjustments on account of impact of COVID 19 are required in the form of temporary overlays. Post management overlay, the PD percentages are mentioned below:

Particulars	31 March 2022			31 March 2021		
	Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1) Gold Loan-Normal risk**	10.42%	10.42%	100.00%	12.08%	12.08%	100.00%
2) Vehicle Loan						
CV	5.24%	9.40%	100.00%	4.88%	8.64%	100%
BUS	6.94%	11.71%	100.00%			
FE	1.89%	4.96%	100.00%	1.19%	3.19%	100%
CAR/AUTO	3.46%	8.20%	100.00%	4.44%	8.44%	100%
TW	5.74%	7.74%	100.00%	5.10%	5.10%	100%
3) SME Loan	7.12%	24.60%	100.00%	7.73%	27.23%	100.00%

4) Onlending, Corporate Finance and Project and Industrial Finance Loan, external ratings or internal evaluation with a management overlay for each customer.

5) Personal Loans and other verticals, external ratings or internal evaluation with a management overlay for each customer industry segment.

** Excluding restructured loans, where in Vehicle loan Stage II restructured loans for CV -49% ,BUS -34% and CAR - 47% as at March 31, 2022.*

*** Excludes portfolio where PD has been considered at 100%.*

In case of Gold loans, incremental NPA is considered after taking into account auctions during the year since such cases are auctioned and total dues are recovered even before the account turns NPA.

Loss Given Default

The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, homogenous nature of the loans etc, the Company has assessed that significant recoveries happen in the year in which default has occurred. Recoveries from all the phases like normal collections, auction collections, repossession sale as well as expected realization from collateral are considered while computing the LGD rates for each loan portfolio. For different stages such as stage 1,stage 2 & stage 3 portfolios, we are applying same LGD rate except in case of loss assets and unsecured loans in stage 3 which is at 100%.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Segment/Portfolio	31 March 2022	31 March 2021
1) Gold Loan*	2.21%	2.43%
2) Vehicle Loan		
CV	20.60%	46.39%
BUS	29.98%	
FE	31.16%	48.83%
CAR/AUTO	21.36%	35.40%
TW	18.68%	40.40%
3) SME Loan	19.01%	25.05%
4) Onlending	60%	60%
5) Corporate Finance	65%	65%

**In case of Gold Loan the Loan To Value(LTV), at the time of disbursement is below 75% (As per the RBI norms) and the remaining value (25%) of asset held by the company acts as a margin of safety , protecting the company against volatility in asset price.LTV is one of the factor for gradation of risk. Also it reflects in the fixing of interest rates of each type of loans/ schemes. Normally fixing higher interest rate for loans having higher LTV% and vice versa.*

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. LGD rates for SME, corporate loans and other loans is considered based on proxy FIRB rates for secured loans.

In estimating LGD, the company reviews macro-economic developments taking place in the economy. Based on internal evaluation, company has provided a management overlay in LGD computed for Vehicle and SME portfolios.

The Company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary. The number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy.

As per the RBI guidelines , the ECL policy has been approved by Audit Committe and the Board.Modifications to the ECL model, if any, is approved by the Board. As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD as mentioned above and in case of corporate loan by downgrading the ratings to one level lower) and LGD as computed by ECL Model as mentioned above depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 7 to the financial statements.

Asset & Liability management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Company's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Company's to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Company to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and (c) the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Company.

The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Others

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:

Maturity pattern of assets and liabilities as on 31 March 2022

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 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	Total
Borrowings	9,316.64	5,000.00	11,452.11	14,013.00	25,355.51	10,438.35	5,145.47	8,494.49	969.64	-	90,185.21
Foreign Currency Term Loan	-	-	-	-	-	1,945.64	1,820.00	7,270.00	-	-	11,035.64
Debt Security	1.98	-	0.63	3,057.41	7,206.68	3,098.25	34,588.06	22,121.63	3,834.94	4,123.25	78,032.83
Subordinated Debts	0.06	1.61	3.85	0.48	-	-	-	-	-	-	6.00
Advances	3,858.72	4,391.94	12,315.72	26,878.12	59,957.14	89,656.90	11,321.99	10,992.14	5,347.28	2,476.76	2,27,196.71
Investments	-	-	9.94	39.93	32.86	16.60	19.99	-	3,016.10	9,019.26	12,154.68

Maturity pattern of assets and liabilities as on 31 March 2021

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 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	Total
Borrowings	516.99	1,125.00	6,562.62	251.29	26,195.72	9,433.58	10,055.56	17,603.78	4,212.86	-	75,957.39
Foreign Currency Term Loan	1.82	-	-	-	-	-	-	1,027.33	-	-	1,029.15
Debt Security	9.97	-	0.92	325.13	3,345.09	3,720.82	30,144.38	53,951.74	2,015.13	5,855.37	99,368.56
Subordinated Debts	2.53	0.10	4.24	3.55	0.64	6.29	24.92	5.83	-	-	48.10
Advances	6,717.23	8,428.84	19,651.80	40,362.58	44,451.38	58,525.12	23,790.11	7,460.95	922.92	282.64	2,10,593.56
Investments	(1.31)	-	26.92	55.80	47.78	69.02	84.73	80.32	3,016.10	8,622.34	12,001.69

**Amount represents net balance after the adjustments on account of Indian Accounting Standards.*

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 Company is exposed to three types of market risk as follows:

Foreign Exchange Risk(FX Risk)

Forex Risk is a risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the company. Any appreciation/depreciation of the base currency or the depreciation/appreciation of the denominated currency will affect the cash flows emanating from that transaction. The company has fully hedged the forex risk by derivative instruments.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings, as follows:

Finance Cost	31 March 2022	31 March 2021
0.5% Increase	852.39	931.52

Price Risk

The Company's exposure to price risk is not material. The drop in gold prices is unlikely to have a significant impact on asset quality of the company since the disbursement LTV is below 75% and average portfolio LTV as on the reporting period was 62% to 65% only.However the sustained decrease in market price may cause for decrease in the size of our Gold Loan Portfolio and the interest income.Management monitors the gold prices and other loans on regular basis.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. A Risk Management Committee comprising representatives of the Senior Management, reviews matters relating to operational and business risk, including corrective and remedial actions as regards people and processes.

NOTE 46: EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expense in connection with US Dollar Bond issue	-	-
Survellance and Trustee Fees	17.69	17.84
Travelling expense	-	-
Training expenses	0.21	-
Meeting expenses	1.98	-
Advertisement expenses	0.68	-
Software Expenses	0.04	0.13
Membership & Other Fees	-	-
Total	**20.60**	**17.97**

NOTE 47: LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES AND FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

LOAN GIVEN TO WHOLLY OWNED SUBSIDIARY:

a) **Manappuram Home Finance Limited**

Balance as at March 31, 2022 : ₹ Nil (31 March 2021: ₹ Nil).

Maximum amount outstanding during the year ₹ 450Mn (31 March 2021: ₹ 290Mn).

Loan given to companies in which directors are interested:

b) **Spandana Sphoorty Financial Limited**

Balance as at March 31, 2022: ₹ Nil (31 March 2021: Nil) Maximum amount outstanding during the year ₹ Nil (31 March 2021:₹ 125Mn).

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 48 (A): GOLD AND OTHER LOAN PORTFOLIO CLASSIFICATION AND PROVISION FOR NON PERFORMING ASSETS (AS PER RBI PRUDENTIAL NORMS)

Particulars	Gross Loan Outstanding*		Provision For Assets		Net Loan Outstanding	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Secured Loans						
A) Gold Loan						
Standard Asset	1,93,331.49	1,87,723.25	775.32	674.41	1,92,556.17	1,87,048.84
Sub Standard Asset	4,124.71	2,644.74	412.47	271.51	3,712.24	2,373.23
Doubtful Asset	1,156.35	307.37	293.46	103.65	862.89	203.72
Loss Asset	60.98	95.12	60.98	95.12	-	-
Total - A	**1,98,673.53**	**1,90,770.48**	**1,542.23**	**1,144.69**	**1,97,131.30**	**1,89,625.79**
B) Other Loans						
Standard Asset	22,456.77	12,392.40	98.86	94.32	22,357.91	12,298.08
Sub Standard Asset	1,152.88	133.62	106.17	16.33	1,046.71	117.29
Doubtful Asset	65.11	353.48	13.02	149.64	52.09	203.84
Loss Asset	41.26	306.71	41.26	306.71	-	-
Total - B	**23,716.02**	**13,186.21**	**259.31**	**567.00**	**23,456.71**	**12,619.21**
Total (A+B)	**2,22,389.55**	**2,03,956.69**	**1,801.54**	**1,711.69**	**2,20,588.01**	**2,02,245.00**
Unsecured Loans						
A) Other Loans						
Standard Asset	1,716.73	1,237.49	6.93	5.40	1,709.80	1,232.09
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	21.65	110.04	21.65	106.45	-	3.59
Total (C)	**1,738.38**	**1,347.53**	**28.58**	**111.85**	**1,709.80**	**1,235.68**
Total Loan (A+B+C)	**2,24,127.93**	**2,05,304.22**	**1,830.12**	**1,823.54**	**2,22,297.81**	**2,03,480.68**

**Principal outstanding*

NOTE 48 (B): PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS

Particulars	31 March 2022	31 March 2021
Provision for diminution in value of investments - Refer Note 11	-	-

NOTE 49: INVESTMENTS

Particulars	31 March 2022	31 March 2021
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	12,154.87	12,003.00
(b) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	0.19	1.31
(b) Outside India	-	-
iii) Net Value of Investments		
(a) In India	12,154.68	12,001.69
(b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	1.31	5.05
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	1.11	(3.74)
iv) Closing balance	0.19	1.31

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 50

(A): DISCLOSURES RELATING TO SECURITISATION

As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on February 17, 2020 the details of securitisation are given below:

Particulars	31 March 2022 Numbers /Amount	31 March 2021 Numbers /Amount
(i) No of SPVs sponsored by the NBFC for securitisation transactions.	-	-
(ii) Total amount of securitised assets as per books of the SPVs Sponsored.	-	-
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet.	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR as on the date of Balance sheet.	-	-

Particulars	31 March 2022	31 March 2021
Total number of loan assets securitized during the year	-	-
Book value of loan assets securitized during the year	-	-
Sale consideration received during the year	-	-
Vehicle Loans Subordinated as Credit Enhancement on Assets Derecognised	-	-
Gain / (loss) on the securitization transaction recognised in P&L	-	-
Gain / (loss) on the securitization transactions deferred	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	-	33.93
Quantum of Credit Enhancement as at year end	-	33.93
Interest spread Recognised in the Statement of Profit and Loss during the Year	-	-

(B): DETAILS OF ASSIGNMENT TRANSACTIONS

Particulars	31 March 2022	31 March 2021
(i) Number of Accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold	-	-
(iii) Aggregate consideration	-	-
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

(C): DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED / SOLD - NIL

NOTE 51: OFF - BALANCE SHEET SPVS SPONSORED

Particulars	31 March 2022	31 March 2021
Name of the SPV Sponsored	-	-
Domestic	-	-
Overseas	-	-

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 52: EXPOSURE

NOTE 52 (A): EXPOSURE TO REAL ESTATE SECTOR

Particulars	31 March 2022	31 March 2021
Direct Exposure		
a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	6,420.17	936.90
b) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multiple purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would not include non-fund based (NFB) limits.	223.22	205.52
c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures: i) Residential ii) Commercial Real Estate	-	-
Indirect Exposure		
Exposure to Manappuram Home finance Limited (Wholly owned subsidiary)	2,072.90	2,072.90
Loan given to other Housing Finance Companies.	141.65	451.71
Total exposure to real estate sector	**8,857.94**	**3,667.03**

(B): EXPOSURE TO CAPITAL MARKET

Particulars	31 March 2022	31 March 2021
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	9,019.25	8,622.70
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered).	-	-
Total Exposure to Capital Market	**9,019.25**	**8,622.70**

NOTE 53: DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the Single borrower and group borrower limits.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 54: PROVISIONS AND CONTINGENCIES

Particulars	31 March 2022	31 March 2021
Break-up of Provision and contingencies in statement of profit and loss		
Provision towards NPA	(339.62)	51.07
Provisions for depreciation on Investment	(1.11)	(3.74)
Provision made towards current tax	4,200.10	6,053.32
Provision for litigation	54.64	2.03
Provision for Standard Assets	(399.87)	599.06

NOTE 55: DRAW DOWN FROM RESERVES

There are no drawdown reserves from statutory reserves during the year.

NOTE 56: CONCENTRATION OF ADVANCES, EXPOSURES AND NPAS

i) Concentration of Advances

Particulars	31 March 2022	31 March 2021
Total advances to twenty largest borrowers	2,126.70	3,158.98
Percentage of advances to twenty largest borrowers to total advances of the Company*	0.92%	1.53%

**Advances includes undrawn amount also*

ii) Concentration of Exposures

Particulars	31 March 2022	31 March 2021
Total exposure to twenty largest borrowers/customers	11,118.13	11,902.17
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	4.65%	5.52%

(iii) Top 10 Borrowings (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Particulars	31 March 2022	31 March 2021
Top 10 Borrowings as on reporting date	1,26,015.75	98,786.88
Percentage of Top 10 Borrowings to total borrowings of the Company as on the reporting date	70.30%	56.00%

(iv) Funding concentration based on significant counter party(Both deposits and borrowings) (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Serial No	No of Significant Counter parties	As on March 31 2022	% of Total Deposits	% of Total Liabilities
1	15	1,29,100.60	NIL	47.87%

(v) Top 20 Large Deposits (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Not Applicable

(vi) Institutional set up for liquidity risk management (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy and the risk tolerance limit for the management of liquidity risk. The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held at quarterly

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

interval The Board of Directors also approves constitution of Asset Liability Committee (ALCO), consisting of the Company's top management which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and tolerance limits approved by the Board. The role of the ALCO also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds. ALCO meetings are held once in a quarter or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ ratification.

(vii) Funding Concentration based on significant Instrument / Product (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Name of Instrument / Product	March 31, 2022	% of Total Liabilities	March 31, 2021	% of Total Liabilities
Secured NCD	48,161.44	26.87%	65,904.05	17.38%
Borrowings from Banks & Fis	1,01,205.81	56.46%	76,889.26	58.47%
Subordinated Debt	6.00	0.00%	48.10	0.03%
CP	6,941.63	3.87%	11,420.43	11.07%
ECB - Senior Secured Notes	22,929.76	12.79%	22,044.08	12.97%
Other Loans	15.04	0.01%	97.28	0.08%
Total	**1,79,259.68**	**100.00%**	**1,76,403.21**	**100.00%**

(viii) Stock Ratios (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

Stock Ratios	31 March 2022	31 March 2021
Commercial Paper as a % of Total Public Funds	3.87%	6.47%
Commercial Paper as a % of Total Liabilities	2.57%	4.45%
Commercial Paper as a % of Total Assets	2.57%	4.45%
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Public Funds	-	-
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Liabilities	-	-
Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Assets	-	-
Other Short Term Liabilities as a % of Total Public Funds	1.09%	1.55%
Other Short Term Liabilities as a % of Total Liabilities	0.72%	1.07%
Other Short Term Liabilities as a % of Total Assets	0.72%	1.07%

(ix) Exposure to top four NPA Accounts

Particulars	31 March 2022	31 March 2021
Total exposure to top four NPA accounts	105.41	129.89

(x) Sector-wise NPAs

Particulars	31 March 2022	31 March 2021
Agriculture & allied activities	-	-
MSME	0.13%	0.73%
Corporate borrowers	28.87%	6.50%
Services	-	-
Unsecured personal loan	0.74%	6.81%
Auto loans	6.67%	5.41%
Other personal loans	2.66%	1.66%

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

(xi) Movement of NPAs

Particulars	31 March 2022	31 March 2021
I) Net NPAs to Net Advances (%)	2.55%	1.43%
II) Movement of NPAs (Gross)		
a) Opening balance	3,951.08	1,676.97
b) Addition during the year	5,848.98	3,563.32
c) Reduction during the year	(3,177.12)	1,289.21
d) Closing balance	6,622.94	3,951.08
III) Movement of NPAs (Net)		
a) Opening balance	2,901.67	1,092.15
b) Addition during the year	5,186.57	2,688.01
c) Reduction during the year	(2,414.31)	1,688.49
d) Closing balance	5673.93	2,901.67
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,049.41	584.82
b) Provision made during the year	662.41	875.30
c) Write-off/write-back of excess provisions	(762.82)	410.71
d) Closing balance	949.01	1,049.41

NOTE 57: CUSTOMER COMPLAINTS

Particulars	31 March 2022	31 March 2021
No. of complaints pending at the beginning of the year	116	71
No. of complaints received during the year	3,928	3,272
No. of complaints redressed during the year	3,867	3,227
No. of complaints pending at the end of the year	177	116

NOTE 58: MISCELLANEOUS

i) Registration obtained from other financial sector regulators

Regulator	Registration No.
Reserve Bank of India	Certificate of Registration No. B-16.00029
b) Ministry of Corporate Affairs	Corporate Identification No. L65910KL1992PLC006623
c) Ministry of Finance (Financial Intelligence Unit - India (FIU-IND))	FIUREID : FINBF12754

ii) Disclosure of Penalties imposed by RBI and other regulators

a) Imposed by BSE and NSE during the year ended March 31 2022 is ₹ Nil and during the year ended March 31 2021 is ₹ Nil.

b) Penalty amounted to ₹ 1.76Mn have been imposed by RBI during the year ended March 31,2022 and during the year ended March 31,2021 is ₹ 0.5Mn.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

iii) Ratings assigned by credit rating agencies and migration of ratings during the year

Credit rating Agency	Type of Facility	March 31, 2022		March 31, 2021	
		₹ In Million	Rating	₹ In Million	Rating
Brickwork	Non-Convertible debentures	10,030	BWR AA+(Stable)	10,030	BWR AA+ (Stable)
	Bank Loan Facility	70,000	BWR AA+(Stable)	70,000	BWR AA+ (Stable)
CRISIL	Bank Loan Facility Long term	43,200	CRISIL AA/Stable	50,000	CRISIL AA/ Stable
	Bank Loan Facility Short term	6,800	CRISIL A1+		
	Non-Convertible Debenture	26,750	CRISIL AA/Stable	47,151	CRISIL AA/ Stable
	Principal Protected Market Linked Debenture	5,000	CRISIL PP - MLD AAr/Stable	5,000	CRISIL PP - MLD AA r/Stable
	Commercial Paper	40,000	CRISIL A1+	40,000	CRISIL A1+
	PCG DA	1,000	CRISIL AA (SO)	1,000	CRISIL AA (SO) Equivalent
CARE	Bank Loan Facility Long Term	49,270	CARE AA Stable	60,444	CARE AA/ Stable
	Bank Loan Facility Short Term	40,730	CARE A1+	29,556	CARE A1+
	Non-Convertible Debentures	19,806	CARE AA Stable	30,972	CARE AA/ Stable
	Commercial Paper	40,000	CARE A1+	40,000	CARE A1+
S&P	Senior Secured Bond	21,288	BB-/Stable	21,288	B+/Stable
FITCH	Senior Secured Bond	21,288	BB-/Stable	21,288	BB-/Stable

NOTE 59: DERIVATIVES DISCLOSURES AS PER RBI

As at 31 March 2022, the Company has recognised a net Market to Market (MTM) Loss of ₹ 185.59 Mn (31 March 2021 ₹ 225.64Mn loss) relating to derivative contracts entered to hedge the foreign currency risk of future interest payment on fixed rate foreign currency denominated bond and foreign currency term loan, repayment of fixed rate foreign currency denominated bond and loans designated as cash flow hedges, in Hedging Reserve Account as part of the Shareholders' funds. Refer to Note no. 17 ' Derivative Financial Instruments'.

Details of outstanding derivative contracts as at the year end.

Type of Derivatives	March 31, 2022		March 31, 2021	
	No of contracts	Value (USD)	No of contracts	Value (USD)
Forward Contracts entered into hedge the currency risk of future interest payments	24	29,15,31,804	5	16,67,00,000
Currency Swaps	4	16,41,00,000	4	16,41,00,000

Type of Derivatives	March 31, 2022		March 31, 2021	
	No of contracts	Value (USD)	No of contracts	Value (USD)
Forward Contracts entered into hedge the currency risk of future interest payments	24	22,095.92	5	12,260.55
Currency Swaps	4	12,437.62	4	11,997.35

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Disclosure required as per RBI requirements;

Forward rate agreement / Interest rate swap

	Particulars	31 March 2022	31 March 2021
i)	The notional principal of swap agreements	12,437.62	11,997.35
ii)	The notional principal of forward rate agreements	22,095.92	12,260.55
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements.	-	-
iii)	Collateral required by the NBFC upon entering into swaps	2,088.10	2,780.00
iv)	Concentration of credit risk arising from the swap	-	-
v)	The fair value of the swap agreements	467.08	92.78
vi)	The fair value of the forward rate agreements	(768.27)	(439.03)

Exchange Traded interest rate (IR) derivatives : NIL

Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes forward contracts for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Finance Resource Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

	Particulars	31 March 2022		31 March 2021	
i)	Derivatives (Notional principal amount)				
	For Hedging	12,437.62	22,095.92	11,997.35	12,260.55
ii)	Marked to Market Positions				
	a) Asset (+)	582.68	-	213.39	-
	b) Liability (-)	-	768.27	-	439.03
iii)	Credit Exposure	-	-	-	-
iv)	Unhedged Exposure	-	-	-	-

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 60:DISCLOSURE REQUIRED AS PER RESERVE BANK OF INDIA NOTIFICATION NO. DOR (NBFC). CC . PD. NO.109/ 22.10.106/2019-20 DATED MARCH 13, 2020.

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

Asset Classification as per RBI Norms	As at March 31 2022					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	2,06,143.84	776.89	2,05,366.95	825.77	(48.88)
	Stage 2	11,361.15	75.94	11,285.21	55.33	20.61
Subtotal for standard		**2,17,504.99**	**852.83**	**2,16,652.16**	**881.10**	**(28.27)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,277.59	357.73	4,919.86	518.64	(160.91)
Doubtful upto 1 year	Stage 3	925.23	48.88	876.35	185.05	(136.17)
1 to 3 years	Stage 3	133.41	2.95	130.46	40.02	(37.07)
More than 3 years	Stage 3	162.82	3.61	159.21	81.41	(77.80)
Subtotal for doubtful		**1,221.46**	**55.44**	**1,166.02**	**306.48**	**(251.04)**
Loss	Stage 3	123.89	123.89	-	123.89	-
Subtotal for NPA		**6,622.94**	**537.06**	**6,085.88**	**949.01**	**(411.95)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	1,500.00	0.29	1,499.71	-	0.29
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		**1,500.00**	**0.29**	**1,499.71**	**-**	**0.29**
Total	Stage 1	2,07,643.84	777.19	2,06,866.66	825.77	(48.59)
	Stage 2	11,361.15	75.94	11,285.21	55.33	20.61
	Stage 3	6,622.94	537.06	6,085.88	949.01	(411.95)
	Total	**2,25,627.93**	**1,390.19**	**2,24,237.75**	**1,830.11**	**(439.93)**

**Principal Outstanding*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Asset Classification as per RBI Norms	As at March 31 2021					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS*	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,62,283.84	673.34	1,61,610.50	623.92	49.42
	Stage 2	39,069.30	579.20	38,490.10	150.21	428.99
Subtotal for standard		**2,01,353.14**	**1,252.54**	**2,00,100.60**	**774.13**	**478.41**
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,778.36	123.54	2,654.82	287.83	(164.29)
Doubtful upto 1 year	Stage 3	653.35	162.76	490.59	249.60	(86.84)
1 to 3 years	Stage 3	4.08	1.02	3.06	1.64	(0.62)
More than 3 years	Stage 3	3.42	0.86	2.56	2.05	(1.19)
Subtotal for doubtful		**660.85**	**164.64**	**496.21**	**253.29**	**(88.65)**
Loss	Stage 3	511.87	507.96	3.91	508.28	(0.32)
Subtotal for NPA		**3,951.08**	**796.14**	**3,154.94**	**1,049.40**	**(253.26)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	1,515.00	0.46	1,514.54	-	0.46
	Stage 2	-	-	-		-
	Stage 3	-	-	-		-
Subtotal for other items		1,515.00	0.46	1,514.54	-	0.46
Total	**Stage 1**	**1,63,798.84**	**673.80**	**1,63,125.04**	**623.92**	**49.88**
	Stage 2	**39,069.30**	**579.20**	**38,490.10**	**150.21**	**428.99**
	Stage 3	**3,951.08**	**796.14**	**3,154.94**	**1,049.40**	**(253.26)**
	Total	**2,06,819.22**	**2,049.14**	**2,04,770.08**	**1,823.53**	**225.61**

**Principal Outstanding*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE: 61 LIQUIDITY COVERAGE RATIO (LCR) DISCLOSURES REQUIRED UNDER NOTIFICATION RBI/2019-20/88 DOR.NBFC (PD) CC. NO.102/03.10.001/2019-20

A Quantitative Disclosure

LCR Disclosure for the Quarter ended March 2022

	Particulars	March 31,2022	
		Total Unweighted Value (average)3	Total Unweighted Value (average)4
High Quality Liquid Assets			
1	**Total High Quality Liquid Assets (HQLA)	4,897.02	4,897.02
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	4.56	5.25
4	Secured wholesale funding	22,954.17	26,397.29
5	Additional requirements, of which	-	-
	(i) Outflows related to derivative exposuresand other collateral requirements	-	-
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	-	-
6	Other contractual funding obligations	1,500.00	1,725.00
7	Other contingent funding obligations	1,620.30	1,863.35
8	**TOTAL CASH OUTFLOWS**	**26,079.03**	**29,990.89**
Cash Inflows			
9	Secured lending	23,945.23	17,958.92
10	Inflows from fully performing exposures	23,208.50	17,406.37
11	Other cash inflows	5,648.48	4,236.36
12	**TOTAL CASH INFLOWS**	**52,802.21**	**39,601.65**
		Total Adjusted Value	
13	**TOTAL HQLA**		4,897.02
14	**TOTAL NET CASH OUTFLOWS**		7,497.73
15	**LIQUIDITY COVERAGE RATIO (%)**		**65.31%**

LCR Disclosure for the Quarter ended December 2021

	Particulars	December 31,2021	
		Total Unweighted Value (average)3	Total Unweighted Value (average)4
High Quality Liquid Assets			
1	**Total High Quality Liquid Assets (HQLA)	7,837.80	7,837.80
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	2,503.61	2,879.15
4	Secured wholesale funding	33,694.00	38,748.10
5	Additional requirements, of which	-	-
	(i) Outflows related to derivative exposuresand other collateral requirements	-	-
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	-	-
6	Other contractual funding obligations	1,500.00	1,725.00
7	Other contingent funding obligations	1,602.30	1,842.65
8	**TOTAL CASH OUTFLOWS**	**39,299.91**	**45,194.90**

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

	Particulars	December 31,2021	
		Total Unweighted Value (average)3	Total Unweighted Value (average)4
Cash Inflows			
9	Secured lending	24,253.13	18,189.85
10	Inflows from fully performing exposures	35,389.71	26,542.29
11	Other cash inflows	5,268.26	3,951.20
12	**TOTAL CASH INFLOWS**	**64,911.10**	**48,683.34**
		Total Adjusted Value	
13	**TOTAL HQLA**		7,837.80
14	**TOTAL NET CASH OUTFLOWS**		11,298.72
15	**LIQUIDITY COVERAGE RATIO (%)**		69.37%

LCR Disclosure for the Quarter ended September 2021

	Particulars	September 30,2021	
		Total Unweighted Value (average)3	Total Unweighted Value (average)4
High Quality Liquid Assets			
1	**Total High Quality Liquid Assets (HQLA)	5,326.90	5,326.90
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	5,004.20	5,754.83
4	Secured wholesale funding	10,900.00	12,535.00
5	Additional requirements, of which	-	-
	(i) Outflows related to derivative exposuresand other collateral requirements	-	-
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	-	-
6	Other contractual funding obligations	1,500.00	1,725.00
7	Other contingent funding obligations	1,686.90	1,939.94
8	**TOTAL CASH OUTFLOWS**	**19,091.10**	**21,954.77**
Cash Inflows			
9	Secured lending	33,418.70	25,064.03
10	Inflows from fully performing exposures	27,624.60	20,718.45
11	Other cash inflows	26,259.40	19,694.55
12	**TOTAL CASH INFLOWS**	**87,302.70**	**65,477.03**
		Total Adjusted Value	
13	**TOTAL HQLA**		5,326.90
14	**TOTAL NET CASH OUTFLOWS**		5,488.70
15	**LIQUIDITY COVERAGE RATIO (%)**		97.05%

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

LCR Disclosure for the Quarter ended June 2021

	Particulars	June 30,2021 Total Unweighted Value (average)[3]	Total Unweighted Value (average)[4]
High Quality Liquid Assets			
1	**Total High Quality Liquid Assets (HQLA)	5,321.70	5,321.70
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	0.49	0.56
4	Secured wholesale funding	6,679.00	7,680.85
5	Additional requirements, of which	-	-
	(i) Outflows related to derivative exposuresand other collateral requirements	-	-
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	-	-
6	Other contractual funding obligations	1,350.00	1,552.50
7	Other contingent funding obligations	2,086.50	2,399.48
8	**TOTAL CASH OUTFLOWS**	**10,115.99**	**11,633.39**
Cash Inflows			
9	Secured lending	57,872.83	43,404.62
10	Inflows from fully performing exposures	30,279.59	22,709.69
11	Other cash inflows	18,177.74	13,633.30
12	**TOTAL CASH INFLOWS**	**1,06,330.16**	**79,747.61**
		Total Adjusted Value	
13	**TOTAL HQLA**		5,321.70
14	**TOTAL NET CASH OUTFLOWS**		2,908.35
15	**LIQUIDITY COVERAGE RATIO (%)**		182.98%

B Qualitative Disclosure

The Company has adopted Liquidity Risk Management (LRM) framework on liquidity standards as prescribed by the RBI guidelines and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Liquidity Risk The Company computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the ALM Committee of the Board.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA),gross outflows and inflows within the next 30-day period. HQLA predominantly comprises unencumbered Cash and Bank balances,Government securities viz., Treasury Bills, Central and State Government securities, Investments in TREPs (Triparty Repo trades in Government Securities provided by The Clearing Corporation of India).

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy,policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limitsdecided by itfrom time to time.The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.Further details regarding management responsibilities on Liquidity Risk Management is disclosed under note 56(vi).

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE: 62 DISCLOSURE OF RESTRUCTURED ACCOUNTS AS REQUIRED BY THE NBFC MASTER DIRECTIONS ISSUED BY RBI

As at 31-03-2022

Sl No	Type of Restrcturing		Restructuring others**				
	Asset classification		Standard	Sub Standard	Doubtful	Loss	Total
	Details						
1	Restructured accounts as on April 1st of the FY (Opening figure)	No of Borrowers	923.00	-	3.00	2.00	928.00
		Amount Outstanding	616.64	-	3.90	1.09	621.63
		Provision thereon*	59.91	-	1.29	1.09	62.29
2	Fresh Restrucuring during the year	No of Borrowers	262.00	115.00		1.00	378.00
		Amount Outstanding	169.00	90.99		9.29	269.28
		Provision* thereon	16.18	9.10		9.29	34.57
3	Upgradations to restructured standard category during the FY	No of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision* thereon	-	-	-	-	-
4	Restructured standard accounts which cease to attract higher provisioning and /or additional risk weight at the end of the FY and hence need not to be showed as restructured standard advances at the beginning of next FY	No of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision* thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No of Borrowers	(920.00)	920.00	-	-	-
		Amount Outstanding	(524.90)	524.90	-	-	-
		Provision* thereon	(52.49)	52.49	-	-	-
6	Writeoffs of restructured accounts during the FY***	No of Borrowers	(265.00)	(7.00)	(3.00)	(2.00)	(277.00)
		Amount Outstanding	(260.73)	(6.75)	(3.90)	(1.36)	(272.74)
		Provision* thereon	(23.60)	(0.68)	(1.29)	(1.36)	(26.93)
7	Restructured accounts as on March 31 of the FY (Closing figure)	No of Borrowers	-	1,028.00	-	1.00	1,029.00
		Amount Outstanding	-	609.14	-	9.02	618.16
		Provision* thereon	-	60.91	-	9.02	69.93

As at 31-03-2021

Sl No	Type of Restrcturing		Restructuring others**				
	Asset classification		Standard	Sub Standard	Doubtful	Loss	Total
	Details						
1	Restructured accounts as on April 1st of the FY (Opening figure)	No of Borrowers	21.00	6.00	-	-	27.00
		Amount Outstanding	15.14	5.39	-	-	20.53
		Provision thereon*	1.47	0.54	-	-	2.01
2	Fresh Restrucuring during the year	No of Borrowers	701.00	224.00		2.00	927.00
		Amount Outstanding	449.26	157.40		1.09	607.75
		Provision* thereon	43.16	15.74		1.09	59.99

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Sl No	Type of Restrcturing / Asset classification / Details		Restructuring others** Standard	Sub Standard	Doubtful	Loss	Total
3	Upgradations to restructured standard category during the FY	No of Borrowers	221.00	(221.00)	-	-	-
		Amount Outstanding	168.62	(168.62)	-	-	-
		Provision* thereon	16.36	(16.36)	-	-	-
4	Restructured standard accounts which cease to attract higher provisioning and /or additional risk weight at the end of the FY and hence need not to be showed as restructured standard advances at the beginning of next FY	No of Borrowers	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-
		Provision* thereon	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No of Borrowers	(3.00)	-	3.00	-	-
		Amount Outstanding	(3.90)	-	3.90	-	-
		Provision* thereon	(1.29)	-	1.29	-	-
6	Writeoffs of restructured accounts during the FY***	No of Borrowers	(17.00)	(9.00)	-	-	(26.00)
		Amount Outstanding	(12.48)	5.83	-	-	(6.65)
		Provision* thereon	0.20	0.09	-	-	0.29
7	Restructured accounts as on March 31 of the FY (Closing figure)	No of Borrowers	923.00	-	3.00	2.00	928.00
		Amount Outstanding	616.64	-	3.90	1.09	621.62
		Provision* thereon	59.91	-	1.29	1.09	62.29

* *Provision as per IRAC norms.*

** *Since the above disclosure pertains to the section "Others",the first two sections namely, "under CDR Mechanism " and "under Debt Restructuring Mechanism" as per format prescribed in guidelines are not included above.*

*** *To ensure arithmetical accuracy, the difference is adjusted in write offs.*

NOTE 63 (A): ADDITIONAL DISCLOSURES AS REQUIRED BY THE RESERVE BANK OF INDIA

Particulars	31 March 2022	31 March 2021
Total Gold loan portfolio	2,02,878.21	1,97,931.68
Total Assets	2,69,705.94	2,56,539.84
Gold loan portfolio as a percentage of total assets	75%	77%

NOTE 63 (B): ADDITIONAL DISCLOSURES AS REQUIRED BY THE RESERVE BANK OF INDIA

Year	Number of Loan Accounts	Principal Amount outstanding at the dates of auctions (A)	Interest & other charges outstanding at the dates of auctions (B)	Total (A+B)	Value fetched *
31-Mar-21	74553	4,122.48	696.92	4,819.40	4,602.17
31-Mar-22	813792	36,151.34	8,655.91	44,807.25	41,865.87

Note: No sister concerns participated in the auctions during the year ended 31 March 2022 and 31 March 2021.

** Net of GST / Sales Tax Collected from the buyer.*

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 64:DISCLOSURE AS PER AMENDED SCHEDULE III TO THE COMPANIES ACT,2013

64A: Disclosure on the following matters required under Schedule III as amended not being or applicable in case of the company,same are not covered such as

a) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Property (Prohibition) Act ,1988 (45 of 1988)and the rules made thereunder.

b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) No registration or satisfaction of charges are pending to be filed with ROC.

d) The company has not entered into any scheme of arrangement.

e) There are no transactions which have not been recorded in the books.

f) The company has not traded or invested in crypto currency or virtual currency during the financial year.

64B: Utilisation of Borrowed funds or share premium

(i) 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 to 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.

(ii) 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 to 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.

64C:Capital Work In Progress(CWIP) aging schedule

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.16	100.87	-	-	107.03
Projects temporarily suspended	-	-	-	-	-

64D:Relationship with struck off companies

Name of struck off company	Nature of trasaction with struck off company	Balance outstanding*	Relationship with struck off company if any
Bennet colomen & Co Ltd	Payable	0.15	Nil
CKON IT services pvt Ltd	Payable	-	Nil
Hunt Box Events & Entertainments pvt Ltd	Payable	-	Nil

**As on reporting date(31-03-2022)*

64E:Standards issued but not yet effective

On March 24,2021,the Ministry of Corporate Affairs('MCA')through a notification,amended Schedue III of the Companies Act, 2013. The amendments revise Division I,II and III of Schedue III and are applicable from April1,2021.The Company has evaluated the same for reporting.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 65:FRAUD

During the year there have been certain instances of fraud on the Company by officers and employees where gold loan related misappropriations / cash embezzlements /burglaries have occurred for amounts aggregating an amount of ₹ 252.61Mn (31 March 2021 ₹ 142.24Mn) of which the Company has recovered ₹ 42.83Mn (31 March 2021 ₹ 17.23Mn). The Company has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Company is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Company has created provision/ written off aggregating to ₹ 209.78Mn (31 March 2021 - ₹ 125Mn) towards these losses based on its estimate.

NOTE 66: UNDER RECOVERY OF INTEREST INCOME

The Company has disbursed some gold loans on which total amount receivable including principal and accumulated interest have exceeded the value of the underlying security and subsequently company has auctioned such loans. As at March 31, 2022, the Company has not recognized interest income aggregating to ₹ Nil (31-March 2021- ₹ 1,045.46Mn) and made provision for doubtful debts to the extent of ₹ Nil (31 March 2021-₹ 45.73Mn) relating to the said gold loans as a prudent measure.

NOTE 67:CODE OF SOCIAL SECURITY

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

NOTE 68:NEW IRAC NORMS ON INCOME RECOGNITION AND ASSET CLASSIFICATION

On November 12, 2021, the Reserve Bank of India ("RBI") had issued circular no. RBI/2021-2022/125 DOR.STR. REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms ("IRACP norms") pertaining to Advances. On February 15, 2022, the RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 providing time till September 30, 2022. Accordingly, the Company will implement the updated norms under IRACP w.e.f October 01, 2022.

NOTE 69:INTEREST ON INTEREST

Pursuant to the order passed by Honourable Supreme Court read along with the instructions received from RBI circular dated April 07,2021 and the Indian Bank's Association ("IBA") advisory letter dated April 19,2021 the company has put in place a Board approved policy and the methodology for calculation of the amount to be refunded/adjusted by way of interest on interest / penal interest charged to borrowers during the moratorium period ie, March 01,2020 to August 31, 2020.However the company is in the process of refunding /adjusting the interest on interest / penal interest to the borrowers and the balance amount to be refunded /adjusted as on reporting period(ie, 31-03-2022) was ₹ 0.79Mn.

NOTE 70:DISCLOSURE UNDER COVID RESOLUTION PLANS

Detail of resolution plans implemented under the "Resolution framework for COVID-19-related Stress" as per the RBI notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated May 05, 2021 as at March 31, 2022 are given below.The resolution plans were based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the Reserve Bank of India.

NOTES

to Standalone Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Format B

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan- Position as at the end of previous half year (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A), amount written off during the half year	Of (A), amount paid by borrowers during the half year	Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at the end of this half year
Personal Loans #	1,086.14	49.43	-	1,036.44	7.46
Corporate Persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	140.24	13.94	0.61	40.48	94.33
	1,226.38	**63.37**	**0.61**	**1,076.92**	**101.79**

 # Includes restructuring done in respect of request received as of September 30, 2021 processed subsequently.

** As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016*

NOTE 71:MSME RESTRUCTURING DISCLOSURE

The disclosure as required under RBI 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 dated August 6, 2020, for the year ended March 31,2022 are as follows:

Type of borrower	No.of accounts restructured	Exposure to restructured accounts before implementation plan*
MSME	101	66.89

**Total outstanding has been considered*

NOTE 72: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

See accompanying notes forming part of the standalone financial statements.

As per our Report of even date

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No: 105047W

Tushar Kurani
Partner
Membership No: 118580

For **S K Patodia & Associates**
Chartered Accountants
ICAI Firm Registration No: 112723W

Sandeep Mandewawala
Partner
Membership No:117917

Place: Mumbai
Date: May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date: May 18, 2022

(All amounts are in millions, unless otherwise stated)

ANNEXURE I

SCHEDULE TO THE BALANCE SHEET OF A NON -BANKING FINANCIAL COMPANY

(as required in terms of paragraph 9BB of Non-Banking Financial companies Prudential Norms (Reserve Bank) Directions,1998)

	Particulars	Amount outstanding	Amount overdue
	Liabilities side		
(1)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :**		
	(a) Debentures : Secured	48,161.44	
	: Unsecured		
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits		
	(c) Term Loans	26,500.77	
	(d) Inter-corporate loans and borrowing	-	
	(e) Commercial Paper	6,941.63	
	(f) Public Deposits*	-	
	(g) Other Loans (specify nature)		
	Subordinate bond	6.00	
	Bank	74,705.03	
	USD Bond	22,929.76	
	Others	15.04	
	*** Please see Note 1 below**		
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
	(a) In the form of Unsecured debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other public deposits		
	*** Please see Note 1 below**		

	Assets side	Amount outstanding
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
	(a) Secured	226,830.89
	(b) Unsecured	1,755.71
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	
	(b) Operating lease	
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	
	(b) Repossessed Assets	
	(iii) Hypothecation loans counting towards EL/HP activities	
	(a) Loans where assets have been repossessed	
	(b) Loans other than (a) above	

(All amounts are in millions, unless otherwise stated)

	Particulars		
	Liabilities side	**Amount outstanding**	**Amount overdue**
5	**Break-up of Investments**		
	Current Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
	2. Unquoted		
	(i) Shares		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
	Long Term investments		
	1. Quoted		
	(i) Share		
	(a) Equity		0.21
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
	2. Unquoted		
	(i) Shares		
	(a) Equity		9,019.04
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		3,069.32
	(v) Others (please specify) PTC		66.29

(All amounts are in millions, unless otherwise stated)

	Particulars			
	Liabilities side		**Amount outstanding**	**Amount overdue**
6	**Borrower group-wise classification of all leased assets, stock on hire and loans and advances :** Please see Note 2 below			
	Category	**Amount net of provisions**		
	1 **Related Parties ****	**Secured**	**Unsecured**	**Total**
	(a) Subsidiaries			
	(b) Companies in the same group			
	(c) Other related parties			
	2 **Other than related parties**	226,830.89	1,755.71	228,586.59
	Total			
7	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :** Please see note 3 below			
	1 **Related Parties ****			
	(a) Subsidiaries		9,019.04	9,019.04
	(b) Companies in the same group			
	(c) Other related parties			
	2 Other than related parties		3,135.82	3,135.63
	Total			
	** As per Accounting Standard of ICAI (Please see Note 3)			
8	**Other information**			
	Particulars			**Amount**
	(i) **Gross Non-Performing Assets**			
	(a) Related parties			
	(b) Other than related parties			6,622.95
	(ii) **Assets acquired in satisfaction of debt**			
	(a) Related parties			
	(b) Other than related parties			
	(ii) **Assets acquired in satisfaction of debt**			

Notes :

1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Manappuram Finance Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Manappuram Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022 (current year). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Interest Income on Gold Loans:** Interest in Gold Loan is based on the various gold loan schemes launched by the Company. The calculation of the interest on gold loan as per the applicable scheme involves complexities, including rebates in the nature of reduced prospective interest rates for prompt payment and penal interest for delayed payment. Due to such variety of schemes and involvement of complexity in calculating the interest income on gold loan we have considered this as Key Audit Matter.	We assessed the Holding Company's process on interest income computation. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: Since the entire interest computation is system driven, we tested, • Evaluated the design of internal controls relating to interest income computation. • Selected a sample of continuing and new gold loan schemes and tested the operating effectiveness of the internal control, relating to interest income computation. We carried out a combination of procedures involving inquiry and observation, inspection of evidence in respect of operation of these controls. • Performed analytical procedures and test of details procedures for testing the accuracy of the revenue recorded. • Tested the relevant information technology systems' access and change management controls relating to interest income computation and related information used in interest computation. • Obtained the list of modifications made in the interest scheme master during the year and test checked the same on sample basis.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2	**Provision for Expected Credit Losses (ECL) on Loans:** Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: Timely identification and classification of the impaired loans, and Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors. The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus: Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars; Accounting interpretations, modelling assumptions and data used to build and run the models; Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios; Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic and the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 45 to the standalone financial statements.	We examined Group's Board Policy approving methodologies 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 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 including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/collective provisions and production of journal entries and disclosures. We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2022. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD. We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The information included in the Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the information included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 (current year) and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹7,717 crores as at March 31, 2022, total revenues of ₹1564 crores and net cash flows amounting to ₹152 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 26, 2021 expressed an unmodified opinion on those statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 26 to the consolidated financial statements.)

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

iv. (1) Under Rule 11e (i):

The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, 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 Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) Under Rule 11e (ii):

The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, 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.

(3) Under Rule 11e (iii):

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports by statutory auditors of subsidiaries included in the consolidated financial statements of the Holding Company to which reporting under CARO is applicable, we report that there are no qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Tushar Kurani
Membership No.: 118580
UDIN: 22118580AJDUEE9767

Place: Mumbai
Date: May 18, 2022

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No. 112723W

Sandeep Mandawewala
Membership No.: 117917
UDIN: 22117917AJDUIV7804

Place: Mumbai
Date: May 18, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the Consolidated Financial Statements of Manappuram Finance Limited

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Manappuram Finance Limited on the consolidated Financial Statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Manappuram Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Tushar Kurani
Membership No.: 118580
UDIN: 22118580AJDUEE9767

Place: Mumbai
Date: May 18, 2022

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No. 112723W

Sandeep Mandawewala
Membership No.: 117917
UDIN: 22117917AJDUIV7804

Place: Mumbai
Date: May 18, 2022

CONSOLIDATED BALANCE SHEET

as at 31st March, 2022 (All amounts are in millions, unless otherwise stated)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS				
1	**Financial assets**			
	Cash and cash equivalents	9	23,707.66	25,482.10
	Bank balance other than above	10	3,265.88	3,642.08
	Derivative financial instruments	19	27.41	-
	Loans	11	2,89,710.45	2,65,076.11
	Investments	12	4,207.03	3,380.11
	Other financial assets	13	3,301.59	3,655.71
2	**Non-financial assets**			
	Current tax assets (net)	14	922.95	203.81
	Deferred tax assets (net)	38	1,740.28	1,854.54
	Investment property	15	0.86	0.86
	Property, plant and equipment	16	3,531.68	2,866.50
	Capital work-in-progress		107.03	75.07
	Intangible assets under development		23.22	
	Right of use asset		6,371.42	5,759.99
	Goodwill		355.65	355.65
	Other intangible assets	17	260.53	277.51
	Other non-financial assets	18	571.88	747.77
	Total assets		**3,38,105.52**	**3,13,377.81**
LIABILITIES AND EQUITY				
LIABILITIES				
1	**Financial liabilities**			
	Derivative financial instruments	19	301.19	359.78
	Payables			
	- Trade payables	20		
	(i) total outstanding dues of micro enterprises and small enterprises		3.87	0.31
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,412.63	1,241.72
	Debt securities	21	93,218.28	1,12,824.00
	Borrowings (other than debt securities)	22	1,44,767.74	1,12,142.13
	Deposits	23	0.70	0.70
	Subordinated liabilities	24	3,198.04	2,195.79
	Lease liability		6,979.88	6,108.88
	Other financial liabilities	25	2,500.85	3,281.22
2	**Non-financial liabilities**			
	Provisions	26	727.86	718.94
	Deferred tax liabilities (net)			
	Other non-financial liabilities	27	1,149.93	957.98
			2,54,260.97	**2,39,831.45**
3	**EQUITY**			
	Equity share capital	28	1,692.79	1,692.73
	Other equity	29	81,990.69	71,381.66
	Equity attributable to equity holders of the parent		**83,683.48**	**73,074.39**
	Non-controlling interest		161.07	471.97
	Total equity		**83,844.55**	**73,546.36**
	Total Liabilities and Equity		**3,38,105.52**	**3,13,377.81**

See accompanying notes forming part of the Consolidated financial statements.

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No:105047W

Tushar Kurani
Partner
Membership No: 118580

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No:112723W

Sandeep Mandawewala
Partner
Membership No: 117917

Place : Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date : May 18, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the Year ended 31st March, 2022

(All amounts are in millions, unless otherwise stated)

		Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
		Revenue from operations			
	(i)	Interest income	30 (i)	58,397.29	61,895.46
	(ii)	Dividend income	30 (iv)	111.88	128.69
	(iii)	Fees and commission income	30 (ii)	233.75	178.94
	(iv)	Net gain on fair value changes	30 (iii)	1,169.71	714.90
	(v)	Other operating income	30 (v)	697.55	387.48
(I)		**Total Revenue from operations**		**60,610.18**	**63,305.47**
(II)		Other income	31	652.96	440.77
(III)		**Total income (I + II)**		**61,263.14**	**63,746.24**
		Expenses			
	(i)	Finance costs	32	20,113.69	22,189.47
	(ii)	Fees and commission expense	33	260.16	201.78
	(iii)	Impairment on financial instruments	34	4,861.70	4,400.81
	(iv)	Employee benefits expenses	35	11,250.11	8,429.05
	(v)	Depreciation and amortisation	36	1,979.77	1,709.46
	(vi)	Other expenses	37	4,962.48	3,655.27
(IV)		**Total expenses (IV)**		**43,427.91**	**40,585.84**
(V)		**Profit before tax (III- IV)**		**17,835.23**	**23,160.40**
(VI)		**Tax expense:**			
		(1) Current tax	38	4,433.87	6,790.42
		(2) Deferred tax	38	141.67	(788.23)
		(3) Current tax relating to earlier years		(27.36)	(91.36)
		Total tax expense		**4,548.18**	**5,910.83**
(VII)		**Profit for the year (V-VI)**		**13,287.05**	**17,249.57**
(VIII)		**Other comprehensive income / (loss)**			
	A)	(i) Items that will not be re classified to profit or loss - Actuarial gains / (losses) on post retirement benefit plans		85.48	(70.02)
		(ii) Income tax relating to items that will not be reclassified to profit or loss		(21.52)	17.63
		Subtotal (A)		**63.96**	**(52.39)**
	B)	(i) Items that will be reclassified to profit or loss			
		- Fair value changes on derivatives designated as cash flow hedges, net		(194.42)	(139.51)
		(ii) Income tax relating to items that will be reclassified to profit or loss		48.93	35.12
		Subtotal (B)		**(145.49)**	**(104.39)**
		Other comprehensive income / (loss)		(81.53)	(156.78)
(IX)		**Total comprehensive income (VII+VIII)**		**13,205.52**	**17,092.79**
		Profit for the year attributable to			
		Equity holders of the parent		13,284.35	17,242.61
		Non-controlling interest		2.69	6.96
		Other comprehensive income for the year, net of tax			
		Equity holders of the parent		(82.17)	(156.38)
		Non-controlling interest		0.66	(0.40)
		Total comprehensive income for the year, net of tax			
		Equity holders of the parent		13,202.18	17,086.23
		Non-controlling interest		3.36	6.56
(X)		**Earnings per equity share**	39		
		Basic (₹)		15.70	20.40
		Diluted (₹)		15.70	20.40

See accompanying notes forming part of the Consolidated financial statements.

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No:105047W

Tushar Kurani
Partner
Membership No: 118580

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No:112723W

Sandeep Mandawewala
Partner
Membership No: 117917

Place : Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date : May 18, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year ended 31st March, 2022

(All amounts are in millions, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid

Particulars		
As at 1 April 2021	**844.98**	**1,689.99**
Issued during the year - ESOP	1.38	2.74
As at 31 March 2021	**846.36**	**1,692.73**
Issued during the year - ESOP	0.03	0.06
As at 31 March 2022	**846.39**	**1,692.79**

B. OTHER EQUITY

Particulars	Share application money pending allotment	Reserves and surplus										Other comprehensive income		Total
		Capital reserve	Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	Share option outstanding account	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Hedge reserve	Impairment reserve	Actuary gain / (loss)	Effective portion of cash flow hedges	
Balance as at 1 April 2020	**323.15**	**2.91**	**12,110.32**	**266.82**	**50.00**	**13,979.78**	**-**	**3,627.02**	**25,516.18**	**(12.84)**	**-**	**(96.48)**	**4.05**	**55,770.91**
Dividends	-	-	-	-	-	-	-	-	(1,057.71)	-	-	-	-	(1,057.71)
Transfer to/from retained earnings	-	-	3,461.01	(5.01)	-	-	-	-	(3,468.14)	-	12.14	-	-	0.00
Other Additions/ Deductions during the year														-
Foreign exchange rate variations in hedging instruments	-	-	-	-	-	-	-	-	-	3.42	-	-	-	3.42
Shares allotted during the year	-	-	-	(125.42)	-	-	-	-	-	-	-	-	-	(125.42)
Utilised during the year	(217.60)	-	-	-	-	-	-	-	(16.22)	-	-	-	-	(233.82)
Share premium received during the year	(105.53)	-	-		-	125.12	-	-	-	-	-	-	-	19.59
Profit for the year (net of taxes)	-	-	-	-	-	-	-	-	17,249.54	-	-	-	-	17,249.54
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	(52.39)	(104.39)	(156.78)
Loss on acquisition									(88.07)		-		-	(88.07)
Others	-	-		-	-	-	-	-	-	-	-	-		-
Balance as at 1 April 2021	**0.02**	**2.91**	**15,571.33**	**136.39**	**50.00**	**14,104.90**	**-**	**3,627.02**	**38,135.58**	**(9.42)**	**12.14**	**(148.87)**	**(100.34)**	**71,381.66**
Dividends									(2,539.14)					(2,539.14)
Transfer to/from retained earnings			2,650.36	(1.53)			-		(3,090.29)		439.93			(1.53)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year ended 31st March, 2022

(All amounts are in millions, unless otherwise stated)

Particulars	Share application money pending allotment	Reserves and surplus										Other comprehensive income		Total
		Capital reserve	Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	Share option outstanding account	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Hedge reserve	Impairment reserve	Actuary gain / (loss)	Effective portion of cash flow hedges	
Other Additions/ Deductions during the year														-
Foreign exchange rate variations in hedging instruments										13.66				13.66
Shares allotted during the year														-
Utilised during the year				1.16										1.16
Share premium received during the year						3.64								3.64
Profit for the year (net of taxes)									13,295.09					13,295.09
Other comprehensive income for the year (net of taxes)										-		63.96	(145.49)	(81.53)
Loss on acquisition									(82.32)					(82.32)
Balance as at 31 March 2022	**0.02**	**2.91**	**18,221.70**	**136.02**	**50.00**	**14,108.54**	**-**	**3,627.02**	**45,718.91**	**4.24**	**452.08**	**(84.91)**	**(245.83)**	**81,990.69**

See accompanying notes forming part of the Consolidated financial statements.

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No:105047W

Tushar Kurani
Partner
Membership No: 118580

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No:112723W

Sandeep Mandawewala
Partner
Membership No: 117917

Place : Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date : May 18, 2022

CONSOLIDATED CASH FLOW STATEMENT

for the Year ended 31st March, 2022

(All amounts are in millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Net profit before tax	17,835.23	23,160.40
	Adjustments for:		
	Interest income on loans	(45,174.76)	(60,746.45)
	Depreciation and amortization expense	1,979.81	1,709.46
	Impairment on financial instruments	3,348.90	2,301.77
	Lease income on rent waiver	(2.44)	(118.05)
	Provision for litigation	54.64	2.04
	Provision no longer required written back	(6.54)	-
	Provision for other assets	(0.87)	(7.48)
	Profit on sale of property, plant and equipment	(9.54)	(8.35)
	Dividend income	-	(128.69)
	Stock compensation expense	(0.37)	(125.42)
	Dividend received	(111.88)	50.24
	Finance costs	19,637.46	22,189.47
	Interest income from banks, investments and others	(423.69)	(1,149.01)
	Operational cash flows from interest		
	Interest received on loans	48,092.00	59,220.51
	Finance costs	(14,047.87)	(19,808.89)
	Operating profit before working capital changes	**31,170.08**	**26,541.55**
	Changes in working capital:		
	Decrease / (increase) in non-financial assets	223.59	(34.32)
	Decrease / (increase) in loans	(30,916.71)	(24,410.79)
	Decrease / (increase) in other financial assets	352.57	526.16
	Decrease / (increase) in trade receivables	(19.54)	(0.92)
	Increase / (decrease) in deposits	-	0.60
	Increase / (decrease) in trade payables	175.92	153.09
	Increase / (decrease) in other financial liabilities	(125.15)	(345.15)
	Increase / (decrease) in provisions	(145.56)	(208.30)
	Increase / (decrease) in other non-financial liabilities	181.44	(2,382.82)
		(30,273.44)	**(26,702.45)**
	Cash generated from operations	**896.64**	**(160.90)**
	Net income tax (paid)	(5,127.47)	(6,032.61)
	Net cash flows from/(used in) operating activities (A)	**(4,230.83)**	**(6,193.51)**
B.	**Cash flow from investing activities**		
	Capital expenditure, including capital advances	(1,627.90)	(532.26)
	Acquisition of subsidiary	-	(217.92)
	Proceeds from sale of property, plant and equipment	11.35	8.80
	(Purchase) / Sale of investments	(151.88)	(2,471.54)
	Interest received	(839.88)	1,149.01
	Dividend received	111.88	128.69
	Bank balances not considered as cash and cash equivalents	570.28	70.45
	Net cash flows from/(used in) investing activities (B)	**(1,926.15)**	**(1,864.77)**

CONSOLIDATED CASH FLOW STATEMENT

for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
C.	**Cash flow from financing activities**		
	Debt securities issued (net)	(20,020.20)	32,270.35
	Borrowings (other than debt securities) issued (net)	28,290.70	(30,070.96)
	Subordinated liabilities issued (net)	(42.10)	962.02
	Proceeds from issue of equity shares	0.06	2.74
	Share premium on equity shares allotted	3.64	125.12
	Share application money received/(refunded)	-	(323.13)
	Dividend paid, including dividend distribution tax	(2,539.14)	(1,107.95)
	Payment of lease liabilities	(1,310.39)	(1,273.04)
	Net cash flow from/(used in) financing activities ©	**4,382.57**	**585.15**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(1,774.44)**	**(7,473.13)**
	Cash and cash equivalents at the beginning of the year	**25,482.10**	**32,955.23**
	Cash and cash equivalents at the end of the year	**23,707.66**	**25,482.10**

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No:105047W

Tushar Kurani
Partner
Membership No: 118580

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No:112723W

Sandeep Mandawewala
Partner
Membership No: 117917

Place : Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date : May 18, 2022

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

1 CORPORATE INFORMATION

Manappuram Finance Limited ('MAFIL' or 'the Company' or 'the Holding Company' or 'the Parent Company') is a public limited company domiciled in India and incorporated on 15 July 1992 in Thrissur, Kerala. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit taking NBFC (NBFC-ND). The Company is registered with the Reserve Bank of India (RBI).

The registration details are as follows:

Reserve Bank of India Registration no : B-16.00029

Corporate Identity Number (CIN) L65910KL1992PLC006623

The Company is the ultimate parent company of the Manappuram Home Finance Limited (MHF), Asirvad Microfinance Limited (Asirvad), Manappuram Insurance Brokers Limited (Maibro) and Manappuram Comptech and Consultants Limited (Macom). The Company along with the Subsidiaries is collectively referred to as the "Group".

MHF, a wholly owned subsidiary of the Company, was incorporated in the year 2010. MHF is a housing finance company registered with National Housing Bank under the provision of National Housing Bank Act, 1987.

Maibro, a wholly owned subsidiary of the Company, was incorporated in the year 2002 is a Company registered with IRDA.

Asirvad, was incorporated in the year 2007. Asirvad is a microfinance company registered with Reserve Bank of India under the provision of Reserve Bank of India Act, 1934.

Macom, was incorporated in the year 2000. MACOM is involved in IT services like software publishing, consultancy and other services.

2 BASIS OF PREPARATION

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies – ND.

The consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the company and all values are rounded to the nearest millions, except when otherwise indicated.

3 PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties.

4 STATEMENT OF COMPLIANCE

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

5 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March 2022. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

CONSOLIDATION PROCEDURE:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

6 SIGNIFICANT ACCOUNTING POLICIES (ALSO REFER NOTE 2 ABOVE)

6.1 FINANCIAL INSTRUMENTS

(i) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets measured at amortised cost
2. Financial assets measured at fair value through other comprehensive income
3. Financial assets measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the entity's key management personnel on the performance of the financial assets.
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof.
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

NOTES

The Group also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.

Principal' s defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, Loans, Trade receivables, investments and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

(iii) Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless An irrevocable election has been made by management to account for at fair value through other comprehensive income Such classification is determined on an instrument-by-instrument basis.

Contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through profit and loss account, where amounts presented in other comprehensive income for equity instruments are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(v) Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

(vi) Derivatives

The Group enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Group undertakes derivative transactions to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally banks.

a) Financial Assets or Liabilities at Fair Value through Profit and Loss

This category includes derivative financial assets/ liabilities which are not designated as hedges.

Although the Group believes that these derivative instruments constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivatives that is either not designated as a hedge, or is designated but is ineffective as per Ind AS 109, is categorised as a financial asset or liability, at fair value through profit and loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss and the resulting exchange gain or loss are included in the other income/ expenses.

b) Cash flow Hedge:

The Group designates certain foreign exchange forwards and swaps contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on certain balance sheet liabilities.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of derivative instruments is recognised in other comprehensive income and accumulated in the cash flow hedge reserve.

Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in the cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve till the period the transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related transaction.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on 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 Group is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

(ix) Impairment of financial assets

The Group recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Group recognises loss allowances (provisions) for expected credit losses on its financial assets (including undisbursed sanctioned amounts) that are measured at amortised costs or at fair value through other comprehensive income account.

NOTES

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments.

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. The Group has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Group computes the Loss Given Default based on the recovery rates.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

- Undrawn loan commitments: as the present value of the difference between the contractual

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, , etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(x) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xi) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability ,either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2. REVENUE FROM OPERATIONS

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured through amortised cost method.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised

a. When 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

(iii) Fees & Commission Income

Fees and commissions other than those which forms part of EIR are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrue.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss , held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL presented separately under the respective head in the Statement of Profit and Loss.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

6.3. EXPENSES

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities.

The EIR in case of a financial liability is computed

a. As 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.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Retirement and other employee benefits

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 recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

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 recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises 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 recognised 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 recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The group 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

NOTES

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.

The group fully contributes all ascertained liabilities to LIC without routing it through Trust bank account. Trustees administer, contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company.

Re-measurement, 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 OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

The group has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised in employee benefits expenses/investment in subsidiary together with a corresponding increase in employee stock option outstanding account in other equity is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(iii) Other income and expenses

All Other income and expense are recognized in the period they occur.

(iv) Impairment of non-financial assets

The carrying amount of assets is 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 cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

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.

(v) Taxes

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 Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

6.4 FOREIGN CURRENCY TRANSLATION

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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 recognised 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.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

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."

Depreciation

Depreciation is calculated using the Straight Line Method (SLM) to write down the cost of property and equipment to their residual values over their estimated useful lives and Asirvad Microfinance Limited is following WDV method. Land is not depreciated.

Particulars	Useful life of assets
Computer equipment	
- End User equipment	3 years
- Server*	6 years
Furniture & Fixture	
- Safe and strong rooms	10 years
- Others*	3-5 years
Office Equipment*	3 years
Electrical Fittings	3 years
Buildings	30 years
Vehicles	8 years
Plant & Machinery	15 years

**The Group has estimated useful life which is different for Schedule II useful life's based on technical advice obtained by the management.*

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 INTANGIBLE ASSETS

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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 to the Statement of Profit and Loss from / up to the date of acquisition/sale.

Amortisation is calculated using the straight–line 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 straight-line basis over a period of 6 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 INVESTMENT PROPERTY

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs. For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of investment property as per Indian GAAP less accumulated depreciation and cumulative impairment (if any) as on the transition date of April 1, 2017.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

6.9 PROVISIONS

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

6.10 CONTINGENT ASSETS AND LIABILITIES

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize or disclose contingent asset in the financial statements.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

6.11 EARNING PER SHARE

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

6.12 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (BOD) of the Holding Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD of Holding Company, which has been identified as being the chief operating decision maker. The CODM has identified two reportable segments 1. Gold Loan and others, 2. Microfinance.

6.13 LEASES

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

6.14 BUSINESS COMBINATION

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises of the,

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group and
- fair value of any asset or liability resulting from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill. If the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any noncontrolling interest in the acquired entity at fair value.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity. Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 grouping disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

7.1 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.

7.2 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 Group's policy to regularly review its ECL models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(ix) Overview of ECL principles.

7.3 EFFECTIVE INTEREST RATE (EIR) METHOD

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

8 IMPACT OF COVID-19

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Group's financial statements, includes the potential impact of the COVID-19 pandemic which are dependent on future developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Group and its subsequent impact on the recoverability of the Group's assets.

Further, the Group has, based on current available information and based on the policy approved by the

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

board, determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered all available internal and external information up to the date of approval of these financial statements. Accordingly, the Group has made prudential estimate of provision for expected credit loss on financial assets as at March 31, 2021. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will further impact the Group's financial statements will depend on developments, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Accordingly, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. The Group will continue to closely monitor any material changes to future economic conditions.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 9: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	2,155.35	2,385.33
Balances with banks - in current and overdraft accounts	10,568.28	9,708.73
On Cash Credit	-	-
Foreign currency balances	1.55	1.18
Bank deposit with maturity of less than 3 months	10,982.48	13,386.85
	23,707.66	**25,482.10**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTE 10: BANK BALANCE OTHER THAN ABOVE

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity for more than 3 months but less than 12 months*	2,672.54	3,175.86
On Escrow accounts		
Unpaid NCD trustee account	12.88	7.33
Unpaid auction surplus deposit	476.38	426.92
Unpaid dividend account	104.08	31.97
	3,265.88	**3,642.08**

** Includes:*

a) Cash collateral deposits aggregating to ₹ 2,142.00 Mn (31 March 2021: ₹ 2,348.63 Mn) towards bank facilities. The cash collateral deposits are provided as an additional security to the banks for extending approved bank facilities.

b) Deposits amounting to ₹ NIL (As at 31 March 2021: ₹ 514.90 Mn) placed as credit enhancement (cash collateral) on account of securitization.

NOTE 11: LOANS VALUED AT AMORTISED COST

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amortised cost	Total	Amortised cost	Total
LOANS				
(A)				
i) Term loans				
- Gold loan	2,02,878.22	2,02,878.22	1,97,931.68	1,97,931.68
- Commercial vehicle loan	16,615.86	16,615.86	10,291.99	10,291.99
- Mortgage/Property LOAN	1,249.08	1,249.08	331.49	331.49
- Onlending	315.59	315.59	1,830.90	1,830.90
- Corporate finance	9.02	9.02	15.52	15.52
ii) Home loan	5,754.63	5,754.63	4,807.77	4,807.77
iii) Other loan	2,792.32	2,792.32	1,926.88	1,926.88
- Microfinance loan	54,208.08	54,208.08	50,930.31	50,930.31
- Business loan	3,492.97	3,492.97	436.09	436.09
- Others	7,497.00	7,497.00	2,294.05	2,294.05
Total (A) - Gross	**2,94,812.77**	**2,94,812.77**	**2,70,796.68**	**2,70,796.68**
Less: Impairment loss allowance	5,102.32	5,102.32	5,720.57	5,720.57
Total (A) - Net	**2,89,710.45**	**2,89,710.45**	**2,65,076.11**	**2,65,076.11**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amortised cost	Total	Amortised cost	Total
(B)				
i) Secured by tangible assets	2,38,647.94	2,38,647.94	2,18,504.36	2,18,504.36
ii) Unsecured	56,164.83	56,164.83	52,292.32	52,292.32
Total (B)-Gross	**2,94,812.77**	**2,94,812.77**	**2,70,796.68**	**2,70,796.68**
Less : Impairment loss allowance	5,102.32	5,102.32	5,720.57	5,720.57
Total (B)-Net	**2,89,710.45**	**2,89,710.45**	**2,65,076.11**	**2,65,076.11**
(C)				
(I) Loans In India				
i) Public Sector	-	-	-	-
ii) Others	2,94,812.77	2,94,812.77	2,70,796.68	2,70,796.68
Total (C) - Gross	**2,94,812.77**	**2,94,812.77**	**2,70,796.68**	**2,70,796.68**
Less : Impairment loss allowance	5,102.32	5,102.32	5,720.57	5,720.57
Total (C) - Net	**2,89,710.45**	**2,89,710.45**	**2,65,076.11**	**2,65,076.11**

Note: There are no loans valued at fair value.

SUMMARY OF ECL PROVISIONS

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
i) Gold loan	441.30	48.78	193.21	683.29	456.93	412.69	212.73	1,082.35
ii) Commercial Vehicle loan (CVD)	145.08	21.62	226.84	393.54	151.81	153.45	328.48	633.74
iii) Mortgage/Property loan	18.70	0.55	7.23	26.48	3.74	1.87	102.18	107.79
iv) Onlending	2.56	-	50.23	52.79	10.41	-	58.61	69.02
v) Corporate Finance	-	-	9.02	9.02	-	-	15.52	15.52
vi) Micro Finance	-	-	-	-	960.05	1,547.57	906.87	3,414.49
vii) Home Finance	7.75	3.11	184.77	195.63	26.58	48.71	81.79	157.08
viii) Others	912.18	1,917.08	912.31	3,741.57	60.98	29.08	150.52	240.58
Total closing ECL provision	**1,527.57**	**1,991.14**	**1,583.61**	**5,102.32**	**1,670.50**	**2,193.37**	**1,856.70**	**5,720.57**

NOTE 11.1: LOANS OR ADVANCES IN THE NATURE OF LOANS ARE GRANTED TO PROMOTERS,DIRECTORS,KMPS AND OTHER RELATED PARTIES.

Particulars	As at 31-03-2022	% of total loans and advances in the nature of loans	As at 31-03-2021	% of total loans and advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 12: INVESTMENTS

	Particulars	Amortised cost	At Fair value through profit or loss	Total
As at 31 March 2022				
i)	**Debt Instruments (unquoted)**	66.29		66.29
	Investment in Pass through certificates (PTC's)			-
ii)	**Investment in Government securities (Quoted)**			-
	1,500,000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.30		1,533.30
	1,500,000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.02		1,536.02
	6.10% GOI 2031	1,070.85		1,070.85
iii)	**Equity instruments in others (Unquoted)**			-
	1000 Equity shares of ₹ 10/- each fully paid in CSB Bank Ltd.		0.21	0.21
	50,000 Equity share of ₹ 10/- each fully paid in Alpha Microfinance Consultants Private Limited.		0.50	0.50
iii)	**Investment in Government Securities (Unquoted)**			-
	10 securities of ₹ 5000/- each paid in National Savings Certificate	0.05		0.05
	Other Securitisation- Pass Through Certificates			-
Total Gross (A)		**4,206.51**	**0.71**	**4,207.22**
i)	**Investments outside India**	-		-
ii)	**Investments in India**	**4,206.51**		**4,206.51**
Total Gross (B)				-
Less : Allowance for impairment loss		0.19		0.19
Total - Net (D) = (A) -(C)		**4,206.32**	**0.71**	**4,207.03**
As at 31 March 2021				-
i)	**Debt Instruments (unquoted)**			
	Investment in Pass through certificates (PTC's)	310.97	-	310.97
ii)	**Investment in Government securities (Quoted)**			
	1,500,000, Units of face value ₹ 100/- each in 5.22% GOI 2025	1,533.30	-	1,533.30
	1,500,000, Units of face value ₹ 100/- each in 5.15% GOI 2025	1,536.02	-	1,536.02
iii)	**Equity instruments in others (Unquoted)**			
	1000 Equity shares of ₹ 10/- each fully paid in CSB Bank Ltd.	-	1.08	1.08
iii)	**Investment in Government Securities (Unquoted)**			-
	50,000 securities of ₹ 10/- each paid in National Savings Certificate	0.05	-	0.05
Total Gross (A)		**3,380.34**	**1.08**	**3,381.42**
i)	**Investments outside India**	-	-	-
ii)	**Investments in India**	3,380.34	1.08	3,381.42
Total Gross (B)		**3,380.34**	**1.08**	**3,381.42**
Less : Allowance for impairment loss		1.31	-	1.31
Total - Net (D) = (A) -(C)		**3,379.03**	**1.08**	**3,380.11**

Investment designated at FVTPL is a portfolio of equity instruments. Equity instruments have been classified at Fair value through profit and loss since cash flows from equity instruments does not represent solely payment of principal and interest.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DEBT INSTRUMENTS MEASURED AT AMORTISED COST

Credit quality of assets

Internal grade rating	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	66.29	-	-	**66.29**	310.97	-	-	310.97
Standard grade	-	-	-	**-**	-	-	-	-
Total	**66.29**	**-**	**-**	**66.29**	**310.97**	**-**	**-**	**310.97**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other Investments is, as follows

Internal grade rating	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	310.97	-	-	**310.97**	909.21	-	-	909.21
New assets purchased	-	-	-	**-**	-	-	-	-
Assets derecognised or matured	(244.97)	-	-	**(244.97)**	(599.59)	-	-	(599.59)
Interest accrued on investments	0.29	-	-	**0.29**	1.35	-	-	1.35
Closing balance	**66.29**	**-**	**-**	**66.29**	**310.97**	**-**	**-**	**310.97**

Internal grade rating	2021-22				2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance of ECL	1.31	-	-	**1.31**	5.05	-	-	5.05
ECL on new assets purchased	-	-	-	**-**	-	-	-	-
ECL on derecognised or matured assets / others	(1.12)	-	-	**(1.12)**	(3.74)	-	-	(3.74)
Closing balance in ECL	**0.19**	**-**	**-**	**0.19**	**1.31**	**-**	**-**	**1.31**

NOTE 13: OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits*	1,048.36	1,041.23
Commission receivable	2.20	1.64
Deferred lease rental	0.39	0.42
Funds-in-transit	562.65	434.22
Gold investment	145.13	179.95
Asset held for sale	120.36	4.42
Others**	1,422.50	1,993.83
Total	**3,301.59**	**3,655.71**

** Employee security deposits aggregating to ₹ 462.48 Mn (31 March 2021: ₹ 457.59 Mn). Deposits aggregating to ₹ 41.09 Mn (31 March 2021: ₹ 43.33 Mn) towards security deposit to various authorities.*

*** Includes Trade receivables aggregating to ₹ 53.08 Mn (31 March 2021:₹25.69 Mn). Ex-gratia receivable from State Bank of India amounting to ₹Nil (31 March 2021: ₹21.67 Mn). Auction receivable ₹32.41 Mn (31 March 2021: ₹99.86 Mn).*

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 14: CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax and tax deducted at source (net of Provisions for taxation)	922.95	203.81
Total	**922.95**	**203.81**

NOTE 15: INVESTMENT PROPERTY

Particulars	Amount
Cost:	
At 1 April 2020	**0.86**
Additions	-
Disposals	-
At 31 March 2021	**0.86**
Additions	-
Disposals	-
At 31 March 2022	**0.86**
Depreciation and impairment:	
At 1 April 2020	-
Disposals	-
Depreciation charge for the period	-
At 31 March 2021	**-**
Disposals	-
Depreciation charge for the period	0
At 31 March 2022	
Net book value:	
At 31 March 2021	**0.86**
At 31 March 2022	**0.86**

The Fair value of Investment Property is based on valuation by registered valuer.

NOTE 16: PROPERTY, PLANT AND EQUIPMENT

Particulars	Land/ Leasehold property	Buildings *	Office equipment	Electrical installation	Computer equipment**	Furniture and fixtures	Vehicles	Plant and equipment	Total
Cost:									
At 01 April 2020	**275.57**	**1,317.60**	**320.46**	**142.41**	**795.79**	**2,089.29**	**62.94**	**43.70**	**5,047.76**
Additions	60.11	2.53	24.96	10.45	143.95	111.87	8.06	1.52	363.45
Addition on acquisition of Subsidiary	-	-	-	-	-	-	-	-	-
Disposals	-	-	8.85	6.09	81.28	17.38	7.40	-	121.00
At 31 March 2021	**335.68**	**1,320.13**	**336.57**	**146.77**	**858.46**	**2,183.78**	**63.60**	**45.22**	**5,290.21**
Additions	121.77	95.10	196.93	8.97	336.02	693.35	1.25	0.33	1,453.72
Disposals	-	-	13.11	2.74	79.55	3.79	5.22	-	104.41
At 31 March 2022	**457.45**	**1,415.23**	**520.39**	**153.00**	**1,114.93**	**2,873.34**	**59.63**	**45.55**	**6,639.53**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Land/ Leasehold property	Buildings *	Office equipment	Electrical installation	Computer equipment**	Furniture and fixtures	Vehicles	Plant and equipment	Total
At 01 April 2020									
Accumulated Depreciation:	**-**	**110.85**	**218.02**	**84.58**	**471.66**	**849.51**	**26.76**	**14.18**	**1,775.56**
Depreciation charge for the year	-	56.71	75.89	36.44	248.86	336.79	7.89	4.57	767.15
Addition on acquisition of Subsidiary									-
Disposals	-	-	8.77	6.14	79.43	17.26	7.40	-	119.00
At 31 March 2021	**-**	**167.56**	**285.14**	**114.88**	**641.09**	**1,169.04**	**27.25**	**18.75**	**2,423.71**
Depreciation charge for the year	0.88	45.59	98.18	23.63	239.66	365.73	8.87	4.10	786.64
Disposals	-	-	13.06	2.74	78.82	3.79	4.11	-	102.52
At 31 March 2022	**0.88**	**213.15**	**370.26**	**135.77**	**801.93**	**1,530.98**	**32.01**	**22.85**	**3,107.83**
Carrying Amount									
At 31 March 2021	**335.68**	**1,152.57**	**51.43**	**31.89**	**217.37**	**1,014.74**	**36.35**	**26.47**	**2,866.50**
At 31 March 2022	**456.57**	**1,202.07**	**150.13**	**17.23**	**313.01**	**1,342.36**	**27.62**	**22.70**	**3,531.68**

No revaluation of any class of asset is carried out during the year.

Title deeds of immovable properties are held in the name of the Company.

** Details of building pledged against borrowings is presented in note 23.*

*** Includes Computers taken on finance lease - Gross block ₹ NIL as at 31 March 2022 (31 March 2021: ₹ 218.72 Mn). Depreciation for the year ₹ NIL (31 March 2021: ₹ 32.83 Mn), Accumulated depreciation ₹ NIL as at 31 March 2022 (31 March 2021: ₹ 216.70 Mn), Net block ₹ NIL as at 31 March 2022 (31 March 2021: ₹ 2.02 Mn).*

NOTE 17: OTHER INTANGIBLE ASSETS

Particulars	Computer software
At 1 April 2020	**318.00**
Additions	160.55
Addition on acquisition of Subsidiary	-
Disposals	-
At 31 March 2021	**478.55**
Additions	112.50
Addition on acquisition of Subsidiary	
Disposals	
At 31 March 2022	**591.05**
Accumulated amortization	
At 01 April 2020	**110.97**
Charge for the year	93.15
Disposals	3.07
At 31 March 2021	**201.05**
Charge for the year	122.65
Addition on acquisition of Subsidiary	
Disposals	
At 31 March 2022	**323.70**
Net book value	
At 31 March 2021	**277.50**
At 31 March 2022	**267.35**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 18: OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	303.81	269.08
Balance with government authorities	21.35	4.86
Capital advances	104.23	45.27
Deferred lease rentals	-	-
Others	142.49	428.56
	571.88	**747.77**

NOTE 19: DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives for risk management purposes in relation to the risk of changes in foreign exchange rates on foreign currency exposures. Derivatives held by the Group for the purpose of risk management includes both hedges that meet the hedge accounting requirements or hedges that are only economic hedges and valued at fair value through profit and loss. These derivatives are valued at fair value which are quoted prices for similar assets and liabilities in active markets or inputs that are directly/ indirectly observable in the market place.

The below table shows the details of the derivative instruments held by the Group:

	Particulars	Amount as at	
		31 March 2022	31 March 2021
A)	**Derivatives designated as cash flow hedges:**		
	Forward contracts	(768.27)	(439.03)
	Cross currency interest rate swaps	402.64	38.95
	Sub total (A)	(365.63)	**(400.08)**
B)	**Other derivatives**		
	Cross currency interest rate swaps	91.85	40.30
	Sub total (B)	**91.85**	**40.30**
	Total (A+B)	**(273.78)**	**(359.78)**
	Total derivative financial instruments (A) +B)) - disclosed under financial assets	**27.41**	
	Total derivative financial instruments (A) +B)) - disclosed under financial liabilities	**(301.19)**	**(359.78)**

NOTE 19.1 HEDGING ACTIVITIES AND DERIVATIVES

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 50.

NOTE 19.2 DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency denominated bond amounting to USD 300 Mn. Interest on the borrowing is payable at 5.9% p.a. at half yearly intervals, and the principal amount is repayable in January 2023. The Company economically hedged the foreign currency risk arising from the bond with Forward Rate Agreement and Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 300 Mn to cash outflows in Indian Rupees with a notional amount of ₹ 21288 Mn.

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 14.10 Mn. Interest on the borrowing is payable at 3-6% p.a. and the principal amount is repayable in July 2022. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 14.10 Mn to cash outflows in Indian Rupees with a notional amount of ₹ 975.72 Mn.

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTES

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 131.51 Mn. Interest on the borrowing is payable at 6.40 % p.a. and the principal amount is repayable in September 2022. The Company economically hedged the foreign currency risk arising from the loan with Cross Currency Interest Rate swaps of equivalent amount. The Cross Currency Interest Rate Forward converts the cash outflows of the foreign currency fixed rate borrowing of USD 131.51 Mn to cash outflows in Indian Rupees with a notional amount of ₹ 10000 Mn.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward currency contract match that of the foreign currency borrowing (notional amount, principal repayment date etc.). The company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward currency contract are identical to the hedged risk components. For the purpose of calculating hedge effectiveness, the company uses a qualitative features to determine the hedge effectiveness.

The reconciliation of cash flow hedge reserve for the years ended 31 March 2022 and 31 March 2021 are as follows:

Particulars	Amount as at	
	31 March 2022	31 March 2021
Cash flow hedge reserve as at beginning of the year	(100.34)	4.05
Gain/ (loss) recognised in other comprehensive income during the year	(194.42)	(139.51)
Less: Tax impact on the above	48.93	35.12
Amount reclassified to Profit/ Loss account	-	-
Total derivative financial instruments (A) +B))	**(245.83)**	**(100.34)**

The Holding Company is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing amounting to USD 14.10 Mn. Interest on the borrowing is payable at 3-6% p.a. and the principal amount is repayable in July 2022. The Company economically hedged the foreign currency risk arising from the loan with cross currency interest rate swaps of equivalent amount. The cross currency interest rate swaps converts the cash outflows of the foreign currency fixed rate borrowing of USD 14.10 Mn to cash outflows in Indian Rupees with a notional amount of ₹ 1068.74 Mn(As at 31 March 2021-₹975.72Mn).

The Asirvad Micro Finance Limited (Component) is exposed to foreign currency risk arising from its fixed rate foreign currency borrowing, where the Component economically hedged the foreign currency risk arising from the loan with cross currency interest rate swaps of equivalent amount. The cross currency interest rate swaps converts the cash outflows of the foreign currency fixed rate borrowing to cash outflows in Indian Rupees with a notional amount of ₹2741 Mn.

NOTE 20: TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises	3.87	1.14
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,412.63	1,240.89
Total	**1,416.50**	**1,242.03**

NOTE 20(I) DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	3.87	1.14
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	**3.87**	**1.14**

NOTE 20(II)TRADE PAYABLE AGING SCHEDULE (DISCLOSURE UNDER SCHEDULE III OF COMPANIES ACT,2013)

Particulars		Outstanding for following periods from due date of payment			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
i)	MSME	1.19	0.83	-	-
ii)	Others	549.16	7.72	18.23	50.02
iii)	Disputed dues- MSME	-	-	-	-
iv)	Disputed dues- others	-	-	-	-
(v)	Unbilled-MSME	1.85	-	-	-
(vi)	Unbilled-Others	706.45	30.67	13.46	36.92
Total		**1,258.65**	**39.22**	**31.69**	**86.94**

NOTE 21: DEBT SECURITIES

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Commercial papers (unsecured)	6,941.63	11,420.43
US Dollar bonds (Secured)	22,929.76	22,044.08
Privately placed redeemable non-convertible debentures (Secured)	59,500.28	74,434.65
Others - Non-convertible debentures - Public issue (Secured)	3,846.61	4,924.84
Total (A)	**93,218.28**	**1,12,824.00**
Debt securities in India	70,288.52	90,779.92
Debt securities outside India	22,929.76	22,044.08
Total (B)	**93,218.28**	**1,12,824.00**

Commercial papers carry interest rates of 4.85%p.a (31 March 2021 : 3.45% to 9% p.a.) and their tenure ranges from 145 to 155 days (31 March 2021 : 71 to 364 days).

US Dollar Bonds carry interest rates of 5.90% p.a. (31 March 2021 : 5.90% p.a.) and their tenure is for 3 years (31 March 2021 : 3 years).

Nature of Security

Debentures are secured by a floating charge on the book debts of the Company on gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time. Debentures are offered for a period of 1 year to 10 years.

US Dollar Bonds are secured by way of floating charge on the book debts of the Company on gold and other unencumbered assets."

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DETAIL OF REDEEMABLE NON-CONVERTIBLE DEBENTURES

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2022	As at 31 March 2021	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
1	Private Placement	29-Jun-18	29-Jun-21	10,00,000	665	9.50%	665.00	-	665.00	Secured	On Maturity	Listed
2	Private Placement	31-Jul-18	31-Jul-21	10,00,000	168.33	9.50%	168.33	-	168.33	Secured	On Maturity	Listed
3	Public Issue	29-Nov-18	29-Nov-21	1,000	2,74,444	9.60%	274.44	-	274.44	Secured	On Maturity	Listed
4	Public Issue	29-Nov-18	29-Nov-21	1,000	2,17,458	10.00%	217.46	-	217.46	Secured	On Maturity	Listed
5	Public Issue	29-Nov-18	29-Nov-21	1,000	1,93,893	Zero Coupon	193.89	-	193.89	Secured	On Maturity	Listed
6	Public Issue	6-Mar-19	06-Mar-22	1,000	1,53,131	9.35%	153.13	-	153.13	Secured	On Maturity	Listed
7	Public Issue	6-Mar-19	06-Mar-22	1,000	1,66,041	9.75%	166.04	-	166.04	Secured	On Maturity	Listed
8	Public Issue	6-Mar-19	06-Mar-22	1,000	1,74,749	Zero Coupon	174.75	-	174.75	Secured	On Maturity	Listed
9	Private Placement	20-Mar-13	20-Mar-23	10,00,000	30	13.25%	30.00	30.00	30.00	Secured	On Maturity	Listed
10	Public Issue	29-Nov-18	29-Nov-23	1,000	5,74,214	10.00%	574.21	574.21	574.21	Secured	On Maturity	Listed
11	Public Issue	29-Nov-18	29-Nov-23	1,000	2,99,989	10.40%	299.99	299.99	299.99	Secured	On Maturity	Listed
12	Public Issue	29-Nov-18	29-Nov-23	1,000	1,47,955	Zero Coupon	147.96	147.96	147.96	Secured	On Maturity	Listed
13	Public Issue	6-Mar-19	06-Mar-24	1,000	2,85,001	9.75%	285.00	285.00	285.00	Secured	On Maturity	Listed
14	Public Issue	6-Mar-19	06-Mar-24	1,000	2,05,402	10.15%	205.40	205.40	205.40	Secured	On Maturity	Listed
15	Public Issue	6-Mar-19	06-Mar-24	1,000	89,932	Zero Coupon	89.93	89.93	89.93	Secured	On Maturity	Listed
16	Public Issue	29-Nov-18	29-Nov-25	1,000	3,97,723	Zero Coupon	397.72	397.72	397.72	Secured	On Maturity	Listed
17	Public Issue	6-Mar-19	05-May-26	1,000	2,04,779	Zero Coupon	204.78	204.78	204.78	Secured	On Maturity	Listed
18	Public Issue	Various Dates	Various Dates	1,000	42,309	-	42.31	36.87	42.31	Secured	On Maturity	Unlisted
19	Private Placement	27-Sep-19	27-Sep-21	10,00,000	2,000	10.50%	2,000.00	-	2,000.00	Secured	On Maturity	Listed
20	Private Placement	27-Sep-19	27-Sep-21	10,00,000	50	10.50%	50.00	-	50.00	Secured	On Maturity	Listed
21	Private Placement	27-Sep-19	27-Sep-21	10,00,000	100	10.50%	100.00	-	100.00	Secured	On Maturity	Listed
22	Private Placement	7-Nov-19	7-Nov-22	10,00,000	2,500	9.75%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed
23	Private Placement	18-Nov-19	18-Nov-22	10,00,000	1,800	9.75%	1,800.00	-	1,800.00	Secured	On Maturity	Listed
24	Private Placement	18-Nov-19	18-Nov-22	10,00,000	200	9.75%	200.00	-	200.00	Secured	On Maturity	Listed
25	Private Placement	31-Dec-19	31-Dec-21	10,00,000	520	9.75%	520.00	-	520.00	Secured	On Maturity	Listed
26	Private Placement	31-Dec-19	31-Dec-21	10,00,000	950	9.75%	950.00	-	950.00	Secured	On Maturity	Listed
27	Private Placement	31-Dec-19	31-Dec-21	10,00,000	300	9.75%	300.00	-	300.00	Secured	On Maturity	Listed
28	Private Placement	31-Dec-19	31-Dec-21	10,00,000	480	9.75%	480.00	-	480.00	Secured	On Maturity	Listed
29	Private Placement	31-Dec-19	31-Dec-21	10,00,000	250	9.75%	250.00	-	250.00	Secured	On Maturity	Listed
30	Private Placement	31-Dec-19	31-Dec-21	10,00,000	1,000	9.75%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
31	Private Placement	14-Feb-20	14-Feb-22	10,00,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DETAIL OF REDEEMABLE NON-CONVERTIBLE DEBENTURES

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2022	As at 31 March 2021	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
32	Private Placement	14-Feb-20	14-Feb-22	10,00,000	500	9.25%	500.00	-	500.00	Secured	On Maturity	Listed
33	Private Placement	14-Feb-20	14-Feb-22	10,00,000	300	9.25%	300.00	-	300.00	Secured	On Maturity	Listed
34	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,500	9.25%	1,500.00	-	1,500.00	Secured	On Maturity	Listed
35	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,250	9.25%	1,250.00	-	1,250.00	Secured	On Maturity	Listed
36	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,200	9.25%	1,200.00	-	1,200.00	Secured	On Maturity	Listed
37	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,000	9.25%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
38	Private Placement	14-Feb-20	14-Feb-22	10,00,000	1,000	9.25%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
39	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
40	Private Placement	14-Feb-20	14-Feb-23	10,00,000	500	9.25%	500.00	500.00	500.00	Secured	On Maturity	Listed
41	Private Placement	14-Feb-20	14-Feb-23	10,00,000	250	9.25%	250.00	250.00	250.00	Secured	On Maturity	Listed
42	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,750	9.25%	1,750.00	1,750.00	1,750.00	Secured	On Maturity	Listed
43	Private Placement	14-Feb-20	14-Feb-23	10,00,000	1,250	9.25%	1,250.00	1,250.00	1,250.00	Secured	On Maturity	Listed
44	Private Placement	27-Mar-20	27-Mar-23	10,00,000	1,000	9.25%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
45	Private Placement	27-Mar-20	27-Mar-23	10,00,000	750	9.25%	750.00	750.00	750.00	Secured	On Maturity	Listed
46	Private Placement	27-Mar-20	27-Mar-23	10,00,000	250	9.25%	250.00	250.00	250.00	Secured	On Maturity	Listed
47	Private Placement	8-May-20	8-May-23	10,00,000	1,000	9.00%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
48	Private Placement	1-Jun-20	1-Jun-23	10,00,000	5,000	9.10%	5,000.00	5,000.00	5,000.00	Secured	On Maturity	Listed
49	Private Placement	12-Jun-20	12-Dec-21	10,00,000	2,500	8.75%	2,500.00	-	2,500.00	Secured	On Maturity	Listed
50	Private Placement	23-Jun-20	23-Dec-21	10,00,000	500	8.75%	500.00	-	500.00	Secured	On Maturity	Listed
51	Private Placement	23-Jun-20	23-Dec-21	10,00,000	1,000	8.75%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
52	Private Placement	9-Jul-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
53	Private Placement	9-Jul-20	9-Jan-22	10,00,000	750	8.75%	750.00	-	750.00	Secured	On Maturity	Listed
54	Private Placement	9-Jul-20	9-Jan-22	10,00,000	1,400	8.75%	1,400.00	-	1,400.00	Secured	On Maturity	Listed
55	Private Placement	9-Jul-20	9-Jan-22	10,00,000	100	8.75%	100.00	-	100.00	Secured	On Maturity	Listed
56	Private Placement	10-Jul-20	24-Jun-22	10,00,000	1,780	9.00%	1,780.00	1,780.00	1,780.00	Secured	On Maturity	Listed
57	Private Placement	16-Jul-20	24-Jun-22	10,00,000	700	9.00%	700.00	700.00	700.00	Secured	On Maturity	Listed
58	Private Placement	21-Jul-20	21-Jul-22	10,00,000	600	8.50%	600.00	600.00	600.00	Secured	On Maturity	Listed
59	Private Placement	21-Jul-20	21-Jul-22	10,00,000	500	8.50%	500.00	500.00	500.00	Secured	On Maturity	Listed
60	Private Placement	21-Jul-20	21-Jul-22	10,00,000	300	8.50%	300.00	300.00	300.00	Secured	On Maturity	Listed
61	Private Placement	21-Jul-20	21-Jul-22	10,00,000	1,100	8.50%	1,100.00	1,100.00	1,100.00	Secured	On Maturity	Listed
62	Private Placement	31-Jul-20	31-Jan-22	10,00,000	750	8.35%	750.00	-	750.00	Secured	On Maturity	Listed
63	Private Placement	31-Jul-20	31-Jan-22	10,00,000	300	8.35%	300.00	-	300.00	Secured	On Maturity	Listed

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DETAIL OF REDEEMABLE NON-CONVERTIBLE DEBENTURES

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2022	As at 31 March 2021	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
64	Private Placement	31-Jul-20	31-Jan-22	10,00,000	1,300	8.35%	1,300.00	-	1,300.00	Secured	On Maturity	Listed
65	Private Placement	31-Jul-20	31-Jan-22	10,00,000	1,000	8.35%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
66	Private Placement	14-Aug-20	9-Jul-30	10,00,000	250	9.50%	250.00	250.00	250.00	Secured	On Maturity	Listed
67	Private Placement	14-Aug-20	9-Jul-30	10,00,000	400	9.50%	400.00	400.00	400.00	Secured	On Maturity	Listed
68	Private Placement	14-Aug-20	9-Jul-30	10,00,000	350	9.50%	350.00	350.00	350.00	Secured	On Maturity	Listed
69	Private Placement	19-Aug-20	18-Feb-22	10,00,000	1,000	8.35%	1,000.00	-	1,000.00	Secured	On Maturity	Listed
70	Private Placement	20-Aug-20	6-Feb-23	10,00,000	1,500	8.45%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
71	Private Placement	7-Sep-20	7-Mar-23	10,00,000	1,000	8.10%	1,000.00	1,000.00	1,000.00	Secured	On Maturity	Listed
72	Private Placement	30-Sep-20	30-Mar-22	10,00,000	500	7.35%	500.00	-	500.00	Secured	On Maturity	Listed
73	Private Placement	22-Dec-20	22-Dec-23	10,00,000	2,500	7.45%	2,500.00	2,500.00	2,500.00	Secured	On Maturity	Listed
74	Private Placement	22-Dec-20	22-Dec-23	10,00,000	1,500	7.45%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
75	Private Placement	28-Jan-21	28-Jan-26	10,00,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
76	Private Placement	28-Jan-21	28-Jan-27	10,00,000	1,500	8.57%	1,500.00	1,500.00	1,500.00	Secured	On Maturity	Listed
77	Private Placement	28-Jan-21	28-Jan-28	10,00,000	3,000	8.57%	3,000.00	3,000.00	3,000.00	Secured	On Maturity	Listed
78	Private Placement	30-Dec-21	30-Dec-24	10,00,000	2,500	6.95%	2,500	2,500	-	Secured	On Maturity	Listed
79	Private Placement	28-Jan-22	28-Feb-24	10,00,000	4,000	6.93%	4,000	4,000	-	Secured	On Maturity	Listed
80	Private Placement	28-Jan-22	28-Jan-24	10,00,000	4,000	6.93%	4,000	4,000	-	Secured	On Maturity	Listed
81	Public Issue	04-Nov-19	03-Nov-22	1000	1.72	9.75%	171.62	171.62	172.00	Secured	On Maturity	Listed
82	Public Issue	04-Nov-19	03-Nov-22	1000	0.85	10.00%	85.21	85.21	85.00	Secured	On Maturity	Listed
83	Public Issue	04-Nov-19	03-Nov-22	1000	1.33	10.00%	133.05	133.05	133.00	Secured	On Maturity	Listed
84	Public Issue	04-Nov-19	03-Nov-24	1000	2.36	10.25%	236.05	236.05	236.00	Secured	On Maturity	Listed
85	Public Issue	04-Nov-19	03-Nov-24	1000	0.64	10.65%	64.03	64.03	64.00	Secured	On Maturity	Listed
86	Public Issue	04-Nov-19	03-Nov-24	1000	0.33	10.65%	32.89	32.89	33.00	Secured	On Maturity	Listed
87	Public Issue	04-Nov-19	07-Sep-26	1000	2.20	10.65%	220.34	220.34	220.00	Secured	On Maturity	Listed
88	Private Placement	20-Jul-20	19-Jul-23	1000000	0.0025	9.40%	250.00	250.00	250.00	Secured	On Maturity	Listed
89	Private Placement	19-May-16	19-May-21	1000000	0	13.25%	1000	-	330.00	Secured	On Maturity	Listed
90	Private Placement	09-Aug-17	09-Aug-23	1000000	1000	12.30%	1000	50.00	50.00	Secured	On Maturity	Listed
91	Private Placement	30-May-19	30-May-24	10000	50000	11.63%	10	500.00	500.00	Unsecured	On Maturity	Listed
92	Private Placement	24-May-19	21-May-21	1000000	0	11.00%	1000	-	100.00	Unsecured	On Maturity	Listed
93	Private Placement	27-Dec-19	27-Jun-22	1000000	250	12.00%	1000	250.00	250.00	Unsecured	On Maturity	Unlisted
94	Private Placement	09-Mar-20	09-Mar-25	1000000	700	12.48%	1000	700.00	700.00	Secured	On Maturity	Listed
95	Private Placement	28-May-20	28-Apr-23	1000000	750	10.50%	1000	750.00	750.00	Secured	On Maturity	Listed

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DETAIL OF REDEEMABLE NON-CONVERTIBLE DEBENTURES

Sr. No.	Private Placement/ Public issue	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of interest p.a.	Face value	As at 31 March 2022	As at 31 March 2021	Secured/ Unsecured	Terms of redemption	Listed/ Unlisted
96	Private Placement	29-May-20	29-May-23	1000000	450	11.00%	1000	450.00	450.00	Secured	On Maturity	Listed
97	Private Placement	22-Jun-20	21-Apr-23	1000000	500	11.25%	1000	250.00	416.67	Secured	On Maturity	Listed
98	Private Placement	26-Jun-20	26-Jun-23	1000000	850	11.00%	1000	850.00	850.00	Secured	On Maturity	Listed
99	Private Placement	06-Aug-20	05-Feb-22	1000000	0	9.50%	1000	-	1,000.00	Secured	On Maturity	Listed
100	Private Placement	08-Sep-20	08-Mar-22	1000000	0	9.00%	1000	-	500.00	Secured	On Maturity	Listed
101	Private Placement	19-Nov-20	19-May-22	1000000	1500	8.60%	1000	375.00	1,500.00	Secured	On Maturity	Listed
102	Private Placement	14-Dec-20	14-Jun-22	1000000	1000	9.00%	1000	1,000.00	1,000.00	Secured	On Maturity	Listed
103	Private Placement	30-Dec-20	30-Jun-22	1000000	750	8.40%	1000	750.00	750.00	Secured	On Maturity	Listed
104	Private Placement	05-Feb-21	05-Feb-23	100000	7500	11.10%	100	375.00	750.00	Unsecured	On Maturity	Listed
105	Private Placement	03-Mar-21	03-Mar-23	1000000	0	10.50%	1000	-	1000	Unsecured	On Maturity	Listed
106	Private Placement	08-Mar-21	08-Mar-23	1000000	500	10.50%	1000	500	500	Unsecured	On Maturity	Listed
107	Private Placement	30-Mar-21	30-May-25	1000000	500	9.22%	1000	470.00	500.00	Secured	On Maturity	Unlisted
108	Private Placement	09-Jul-21	31-Dec-24	700000	500	11.40%	700	350		Unsecured	On Maturity	Unlisted
109	Private Placement	13-Jul-21	13-Jul-23	628000	1000	9.65%	628	628.00		Secured	On Maturity	Listed
110	Private Placement	29-Jul-21	29-Jan-24	778400	2500	9.71%	778.4	1,946.00		Secured	On Maturity	Listed
111	Private Placement	27-Aug-21	27-Feb-25	1000000	730	11.05%	1000	730.00		Secured	On Maturity	Listed
112	Private Placement	06-Sep-21	23-Feb-24	777777.7778	450	10.00%	777.78	350.00		Unsecured	On Maturity	Listed
113	Private Placement	21-Sep-21	15-Sep-26	1000000	1450	10.45%	1000	1,450.00		Secured	On Maturity	Listed
114	Private Placement	09-Nov-21	09-May-24	1000000	750	9.70%	1000	750.00		Secured	On Maturity	Listed
Total amount								**60,919.05**	**76,860.01**			
Effective interest rate adjustment								(356.29)	(568.43)			
Interest accrued but not due								2,784.14	3,067.91			
Net Amount								**63,346.90**	**79,359.49**			

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 22: BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost:		
Term loan*		
Indian rupee loan from banks (secured)	45,348.50	56,781.43
Foreign currency term loan from banks (secured)	11,035.64	1,029.15
Indian rupee loan from other parties (secured)	12,822.62	10,643.87
Indian rupee loan from other parties (unsecured)	503.88	586.12
Finance lease obligations (secured)	15.04	15.04
Loans repayable on demand		
Cash credit / Overdraft facilities from banks (secured)	3,399.39	114.20
Working Capital demand loan from banks (secured)	71,592.67	42,188.34
Other loans		
Vehicle loans (Secured)	-	6.39
Borrowings under securitisation arrangement	50.00	777.59
Total	**1,44,767.74**	**1,12,142.13**
Borrowings in India*	1,44,767.74	1,12,142.13
Borrowings outside India	-	-
Total	**1,44,767.74**	**1,12,142.13**

**Term Loans were fully used for the purpose for which the same were obtained.*

**Includes foreign currency loan borrowed from RBL Bank.*

The Group has not defaulted in repayment of principal and interest during the year and as at balance sheet date 31 March 2022.

Term loan from bank:

Indian rupee loan from banks (secured): These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold and margin/cash collateral as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 6733.37 Mn (31 March 2021: ₹ 16816.50 Mn).

Foreign currency term loans (ECB) from banks (secured):

1) 31 March 2022 ₹ 975.7 Mn (31 March 2021: ₹ 975.7 Mn) which carries interest @ 3 month LIBOR plus 280bps. The loan is repayable after 3 years from the date of its origination, viz., July 25, 2019.

The loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans and advances of the Holding Company.

Term loan from other parties (secured):

Third party rupee term loan is secured where Interest payments are made quarterly at 6.75 % - 9.20 % pa. The loans is secured against the first pari passu charge on current assets, book debts and receivables including gold loans & advances of the Holding Company as per the agreement . Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO.

Term loan from other parties (unsecured):

Third party rupee term loan is unsecured where interest payments are made quarterly at Nil.

Finance lease obligations:

Finance lease obligation is secured by hypothecation of Computers taken on lease. The interest rate implicit in the lease is 11% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 12 quarterly instalments of approx. ₹NIL (31 March 2021: ₹ 15.04) each.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Loans repayable on demand

Cash credit / Overdraft facilities from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans and advances of the Holding Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 3072.00 Mn (31 March 2021: ₹ 244.70 Mn).

Working Capital demand loan from banks (secured):

These loans are secured against the first pari passu charge on current assets, book debts and receivables including gold loans and advances of the Holding Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of Mr. V.P Nandakumar, Managing Director and CEO to the extent of ₹ 22000 Mn (31 March 2021: ₹ 17800 Mn).

Other loans

Vehicle Loans: The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

A) Indian rupee loan from banks (Secured)

As at 31 March, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.50 - 9.75%	3502.86
Due within 1-2 years	6.50 - 9.75%	2799.21
Due within 1 year	6.50 - 9.75%	2496.91
Total		**8,798.98**
Effective interest rate adjustment		-54.08
Interest accrued but not due		0.00
Net Amount Total (A)		**8,744.90**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	7.2-11.75%	1,598.08
Due within 1-2 years	7.2-11.75%	11,636.50
Due within 1 year	7.2-11.75%	18,700.39
Net Amount Total (B)		**31,934.97**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.15% - 10.25%	1,024.96
Due within 2-5 years	8.15% - 10.25%	1,575.84
Due within 1-2 years	8.15% - 10.25%	1,046.62
Due within 1 year	8.15% - 10.25%	1,020.15
Interest accrued and due on borrowings		1.06
Net Amount Total (C)		**4,668.63**
TOTAL (A+B+C)		**45,348.50**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

As at 31 March 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	7.75 -10.25%	3,668.73
Due within 1-2 years	7.75 -10.25%	8,426.54
Due within 1 year	7.75 -10.25%	14,642.17
		26,737.44
Effective Interest Rate Adjustment		(83.86)
Interest accrued but not due		73.35
Net Amount Total (A)		**26,726.93**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.00 -12.00%	2,805.99
Due within 1-2 years	8.00 -12.00%	8,445.65
Due within 1 year	8.00 -12.00%	15,736.73
Total		**26,988.37**
Effective interest rate adjustment		75.22
Net Amount Total (B)		**27,063.59**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
More than 5 years	8.15% - 10.25%	174.54
Due within 2-5 years	8.15% - 10.25%	1,169.06
Due within 1-2 years	8.15% - 10.25%	800.37
Due within 1 year	8.15% - 10.25%	843.06
Interest accrued and due on borrowings		3.88
Net Amount Total (C)		**2,990.91**
TOTAL (A+B+C)		**56,781.43**

B) Indian rupee loan from other parties (secured)

As at 31 March, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.75 -10.75%	2,576.67
Due within 1-2 years	6.75 -10.75%	649.67
Due within One year	6.75 -10.75%	3,508.00
Total		**6,734.33**
Effective interest rate adjustment		-14.10
Interest accrued but not due		-
Net Amount Total (A)		**6,720.23**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9 - 11%	889.20
Due within 1-2 years	9 - 11%	3,573.17
Due within One year	9 - 11%	1,640.02
Total		**6,102.39**
Net Amount Total (B)		**6,102.39**
TOTAL (A+B)		**12,822.62**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

As at 31 March, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	8.60 -10.75%	2,393.00
Due within 1-2 years	8.60 -10.75%	3,403.85
Due within One year	8.60 -10.75%	1,128.84
Total		**6,925.69**
Effective interest rate adjustment		(13.75)
Interest accrued but not due		50.53
Net Amount Total A		**6,962.47**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	9.00 -12.00%	-
Due within 1-2 years	9.00 -12.00%	2,781.23
Due within One year	9.00 -12.00%	926.07
Total		**3,707.30**
Effective Interest Rate Adjustment		(25.90)
Net Amount Total B		**3,681.40**
TOTAL (A+B)		**10,643.87**

C) Indian rupee loan from other parties (Unsecured)

As at 31 March, 2022

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	Nil	-
Interest Accrued but not due		-
Total (A)		**-**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	10.25%	503.88
Total (B)		**503.88**
Grand Total (A+B)		**503.88**

As at 31 March, 2021

Terms of repayment

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	6.90 -7.50 %	82.24
Total (A)		**82.24**

Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Due within one year	10%-11%	503.88
Total (B)		**503.88**
Grand Total (A+B)		**586.12**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

D) Vehicle loans (Secured loans)

Terms of repayment

Tenure (from the date of Balance Sheet)	As at 31 March 2022			As at 31 March 2021		
	Rate of Interest			Rate of Interest		
	< 10%	>= 10% < =12%	Total	< 10%	>= 10% < =12%	Total
	Amount	Amount	Amount	Amount	Amount	Amount
Due within 1-2 years	-	-	-	-	-	-
Due within 1 year	-	-	-	6.39	-	6.39
Grand Total	**-**	**-**	**-**	**6.39**	**-**	**6.39**

The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

NOTE 23: DEPOSITS

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost:		
Deposits		
- From others	0.70	0.70
Total	**0.70**	**0.70**

NOTE 24: SUBORDINATED LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost:		
Redeemable non-convertible debentures (Unsecured) - Subordinated debt	3,192.04	2,147.69
Subordinated bonds from others	6.00	48.10
Total	**3,198.04**	**2,195.79**
Subordinated liabilities in India	3,198.04	2,195.79
Subordinated liabilities outside India	-	-
	3,198.04	**2,195.79**

Subordinate bonds from others:

Subordinate bonds have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at 31 March 2022

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 1-2 years	-	-						
Due within 1 year	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Grand Total	**-**	**-**	**1,472**	**1.47**	**3,542**	**3.54**	**5,014**	**5.01**
Effective Interest Rate Adjustment								(0.00)
Interest accrued but not due								0.96
Total								**6.00**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

As at 31 March 2021

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 1-2 years	-	-	1,472	1.47	3,542	3.54	5,014	5.01
Due within 1 year	-	-	14,852	14.85	12,463	12.46	27,315	27.31
Grand Total	**-**	**-**	**16,324**	**16.32**	**16,005**	**16.00**	**32,329**	**32.32**
Effective Interest Rate Adjustment								(0.10)
Interest Accrued but not due								15.88
Total								**48.10**

Redeemable Non-Convertible Debentures (Unsecured) have a face value of ₹ 10,00,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at 31 March 2022

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	2	1,050.00	2	1,050.00
Due within 4-5 years	1	1,000.00	-	-	-	-	1	1,000.00
Due within 1-2 years	-	-	-	-	1	150.00	1	150.00
Due within 1 year	-	-	1	500.00	2	500.00	3	1,000.00
Grand Total	**1**	**1,000.00**	**1**	**500.00**	**5**	**1,700.00**	**7**	**3,200.00**
Effective Interest Rate Adjustment								(7.96)
Net Total								**3,192.04**

As at 31 March 2021

Redeemable at par within	Rate of interest							
	< 12%		>= 12% < 14%		> =14%<=15%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	10,000	1,000.00	-	-	-	-	10,000	1,000
Due within 2-3 years	-	-	150	150.00	-	-	150	150
Due within 1-2 years	-	-	1,000	1,000.00	-	-	1,000	1,000
Grand Total	**10,000.00**	**1,000.00**	**1,150.00**	**1,150.00**	**-**	**-**	**11,150.00**	**2,150.00**
Effective Interest Rate Adjustment								(2.31)
Net Total								**2,147.69**

NOTE 25: OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed matured non-convertible debenture	22.97	9.93
Unclaimed dividend	27.67	31.93
Unclaimed matured subordinate bonds and interest accrued thereon	14.61	9.82
Security deposits	559.04	1,552.63
Payable to customers (Auction surplus refundable)	475.61	428.14
Interest payable on securitization	318.90	207.70
Employee related payables	776.01	703.40
Others	306.04	337.67
	2,500.85	**3,281.22**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 26: PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Loan commitments	0.94	1.90
Employee benefits		
- Gratuity	214.89	184.74
- Provision for compensated absences	255.54	296.94
Litigation	107.10	52.46
Others (taxation)	2.95	2.95
Provision for other assets	146.44	179.95
	727.86	**718.94**

Movement of provisions other than employee benefits during the year

The movement in provisions during 2021-22 and 2020-21 is, as follows:

Particulars	Litigation ₹ in Mn	Others ₹ in Mn	Total ₹ in Mn
At 31 March 2020	**50.43**	**187.43**	**237.86**
Provided /(reversed) during the year	2.03	(7.48)	(5.45)
At 31 March 2021	**52.46**	**179.95**	**232.41**
Provided /(reversed) during the year	54.64	(33.51)	21.13
At 31 March 2022	**107.10**	**146.44**	**253.54**

Litigation:

Litigation provisions arise out of current or potential claims or pursuits alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may arise in claims from customers, counterparties or other parties in civil litigations.

Loan commitment

Credit quality of exposure

Internal grade rating	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
Standard grade	1,982.99	15.03	-	1,998.02	1,847.75	4.59	-	1,852.34
Low risk grade	-	-	-	-				
Total	**1,982.99**	**15.03**	**-**	**1,998.02**	**1,847.75**	**4.59**	**-**	**1,852.34**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Undisbursed loans is as follows

	FY 2021-22				FY 2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,847.75	4.59	-	1,852.34	1,514.65	0.60	-	1,515.24
New assets originated or purchased	482.99	15.03	-	498.02	567.75	4.59	-	572.35
Assets derecognised or repaid (excluding write offs)	(347.75)	(4.59)	-	(352.34)	(234.65)	(0.60)	-	(235.25)
Gross carrying amount closing balance	**1,982.99**	**15.03**	**-**	**1,998.02**	**1,847.75**	**4.59**	**-**	**1,852.36**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Reconciliation of ECL balance is given below:

	FY 2021-22				FY 2020-21			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1.82	0.10	-	1.91	2.66	0.01	-	2.66
New assets originated or purchased	0.52	0.12	-	0.64	1.34	0.10	-	1.44
Assets derecognised or repaid (excluding write offs)	(1.51)	(0.10)	-	(1.61)	(2.19)	(0.01)	-	(2.20)
ECL allowance - closing balance	**0.83**	**0.12**	**-**	**0.94**	**1.82**	**0.10**	**-**	**1.91**

NOTE 27: OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	664.74	454.91
Auction surplus		
Retention money and other sundry liabilities	417.90	210.10
Advance from customers	58.37	212.38
Other	8.92	80.59
	1,149.93	**957.98**

NOTE 28: EQUITY SHARE CAPITAL

THE RECONCILIATION OF EQUITY SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
980,000,000 (31 March 2021: 980,000,000) equity shares of ₹ 2/- each	1,960.00	1,960.00
4,00,000 (31 March 2021: 400,000) preference shares of ₹ 100/- each	40.00	40.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid up		
84,63,94,729 (31 March 2021: 846,364,729) equity shares of ₹ 2/- each	1,692.79	1,692.73
Total Issued, subscribed and fully paid up	**1,692.79**	**1,692.73**

RECONCILIATION OF THE NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR

Particulars	No. in Mn	₹ in Mn
As at 1 April 2020	**844.98**	**1,689.99**
Issued during the year - ESOP (refer note 42)	1.38	2.74
At 31 March 2021	**846.36**	**1,692.73**
Issued during the year - ESOP (refer note 37)	0.03	0.06
As at 31 March 2022	**846.39**	**1,692.79**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2022, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.00 per share (31 March 2021: ₹ 1.25 per share).In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	31 March 2022		31 March 2021	
	No. in Mn	% holding in the class	No. in Mn	% holding in the class
Mr. Nandakumar V P	244.28	28.86	243.67	28.79
Ms. Sushama Nandakumar	48.00	5.67	48.00	5.67
Baring India Private Equity Fund III	60.25	7.12	49.34	5.83
Quinag Acquisition (FPI) Ltd	83.79	9.90	83.79	9.90

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.

SHAREHOLDING AND CHANGE IN SHAREHOLDING PERCENTAGES OF PROMOTERS

Promoter*	31 March 2022		31 March 2021		% change during the year**
	No. in Mn	% holding in the class	No. in Mn	% holding in the class	
V.P.Nandakumar	24,42,77,671	28.86%	24,36,72,171	28.79%	0.07%
Sooraj Nandan	3674	0.00%	3,674	0.00%	0.00%
Sushama Nandakumar	4,80,01,078	5.67%	4,80,01,078	5.67%	0.00%
Suhas Nandan	17,051	0.00%	17,051	0.00%	0.00%
Jyoti Prasannan	44,74,990	0.53%	44,62,165	0.53%	0.00%

**Promoter means promoter as defined as per Companies Act,2013*

***Percentage change shall be computed with respect to the number at the beginning of the year*

The Company has issued 4,495,093 equity shares (31 March 2021: 5,342,593) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued 4,495,093 equity shares (31 March 2021: 5,342,593) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 41

The primary objectives of the Company's capital management policy are 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 maximise shareholder value. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 29: OTHER EQUITY

Particulars	
Securities premium	
At 1 April 2020	**13,979.78**
Add: Additions on ESOPs exercised	125.12
At 31 March 2021	**14,104.91**
Add: Additions on ESOPs exercised	3.64
At 31 March 2022	**14,108.55**
Share option outstanding account	
At 1 April 2020	**266.82**
Add: Other Additions/ Deductions during the year	(130.43)
At 31 March 2021	**136.39**
Add: Other Additions/ Deductions during the year	(0.37)
At 31 March 2022	**136.02**
Statutory reserve u/s 45-IC of the RBI Act, 1934 and u/s 29C of NHB Act, 1987	
At 1 April 2020	**12,110.32**
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,461.01
At 31 March 2021	**15,571.34**
Add: Transfer from surplus balance in the Statement of Profit and Loss	2,650.36
At 31 March 2022	**18,221.70**
General reserve	
At 1 April 2020	**3,627.02**
Add: Other Additions/ Deductions during the year	-
At 31 March 2021	**3,627.02**
Add: Other Additions/ Deductions during the year	-
At 31 March 2022	**3,627.02**
Hedging reserve	
At 1 April 2020	**(12.84)**
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	3.42
At 31 March 2021	**(9.42)**
Add/(Less): Effect of foreign exchange rate variations in Hedging instruments	13.66
At 31 March 2022	**4.24**
Retained earnings	
At 1 April 2020	**25,516.18**
Add: Profit for the year	17,249.54
Add/Less: Appropriations	(16.22)
Transfer to/(from) Impairment reserve	(3,468.14)
Interim dividend on equity shares including tax thereon	(1,057.71)
Transfer to Statutory Reserve	-
Loss on acquisition	(88.07)
At 31 March 2021	**38,135.58**
Add: Profit for the year	13,287.05
Add/Less: Appropriations	
Transfer to/(from) Impairment reserve	(439.93)
Interim dividend on equity shares including tax thereon	(2,539.14)

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	
Transfer to Statutory Reserve	(2,642.35)
Loss on acquisition	(82.32)
At 31 March 2022	**45,718.89**
Other comprehensive income - Actuary gain / (loss)	
At 1 April 2020	**(96.48)**
Movements during the year	(52.39)
At 31 March 2021	**(148.87)**
Movements during the year	63.96
At 31 March 2022	**(84.91)**
Other comprehensive income - Effective portion of cash flow hedges	
At 1 April 2020	**4.05**
Movements during the year	(104.39)
At 31 March 2021	**(100.34)**
Movements during the year	(145.49)
At 31 March 2022	**(245.83)**
Share application money pending allotment	
At 1 April 2020	**323.15**
Movements during the year	(323.13)
At 31 March 2021	**0.02**
Movements during the year	-
At 31 March 2022	**0.02**
Capital redemption reserve	
At 1 April 2020	**50.00**
Add: Other Additions/ Deductions during the year	-
At 31 March 2021	**50.00**
Add: Other Additions/ Deductions during the year	-
At 31 March 2022	**50.00**
Capital reserve	
At 1 April 2020	**2.91**
Add: Other Additions/ Deductions during the year	-
At 31 March 2021	**2.91**
Add: Other Additions/ Deductions during the year	-
At 31 March 2022	**2.91**
Impairment Reserve	
At 1 April 2020	**-**
Add: Other Additions/ Deductions during the year	12.14
At 31 March 2021	**12.14**
Add: Other Additions/ Deductions during the year	439.93
At 31 March 2022	**452.07**
Total other equity	
At 31 March 2021	**71,381.66**
At 31 March 2022	**81,990.69**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Nature and Purpose of Reserves (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934): Section 45IC of Reserve Bank of India Act, 1934 ("RBI Act, 1934") defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has transferred an amount of ₹ 2,650.36 Mn (2020-21 ₹ 3,440.45 Mn) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934

Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961): Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The Company has transferred an amount of ₹ 14.42 Mn (2020-21 - 20.57 Mn) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

Securities premium: Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Hedge Reserve: The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings as described within note 50. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedge reserve. Amounts recognised in the hedge reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

Debenture redemption reserve:

(1) Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date.

(2) Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amend the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in sub-clause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

(3) By complying with the above notification, the Company has transferred back ₹ NIL Mn from DRR to Retained earnings in the financial year ended 31 March 2022 and 31 March 2021

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. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. 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.

Share option outstanding account (ESOP reserve): The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 36 for further details of these plans.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Other comprehensive income: Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset and fair value changes on derivatives designated as cash flow hedge, net.

Impairment Reserve

The NBFCs will have to compute two types of provisions or loss estimations, ECL as per Ind AS 109 & its internal ECL model and parallelly provisions as per the RBI prudential norms. A comparison between the two is required to be disclosed by the NBFC in the annual financial statements. Where the ECL computed as per the ECL methodology is lower than the provisions computed as per the IRAC norms, then the difference between the two should be parked in "Impairment Reserve". Allocation to Impairment Reserve should be made out of Retained earnings and there are certain restrictions towards utilization of this reserve amount.

Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve

Capital Reserve

The Company creates the Capital reserve to be used for future expenses or to offset any capital losses

NOTE 30: REVENUE FROM OPERATIONS

NOTE 30 (I): INTEREST INCOME

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
On financial assets measured at amortised cost:		
Interest on loans		
- Gold loans	41,786.09	48,112.23
- Property loans	1,245.63	1,027.78
- Commercial vehicles	2,286.10	1,830.22
- Onlending	125.69	477.42
- Microfinance loans	11,316.64	9,239.79
- SME loans	299.21	59.00
Interest on deposits with banks	409.18	724.48
Other interest income	914.02	300.58
Interest income from investments	14.73	123.96
Total	**58,397.29**	**61,895.46**

NOTE 30 (II): FEES AND COMMISSION INCOME

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Foreign exchange commission	0.15	0.12
Money transfer commission	31.09	43.09
Brokerage and commission	109.15	92.50
Fee received for IT services	93.36	43.23
Total	**233.75**	**178.94**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 30 (III): NET GAIN ON FAIR VALUE CHANGES

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss	1,169.72	714.80
On trading portfolio		
- Investments	(0.01)	0.10
- Derivatives	-	-
Total Net gain on fair value changes (A)	**1,169.71**	**714.90**
Fair value changes:		
- Realised	1,169.72	714.80
- Unrealised	(0.01)	0.10
Total Net gain on fair value changes (B)	**1,169.71**	**714.90**

NOTE 30 (IV): DIVIDEND INCOME

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Dividend income	111.88	128.69
Total	**111.88**	**128.69**

NOTE 30 (V): OTHER OPERATING INCOME

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Bad debt recovered	491.55	170.88
Foreclosure charges	11.09	7.95
Others	194.91	208.65
Total	**697.55**	**387.48**

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2022 by nature of products sold. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Revenue by products / services		
Interest income	58,397.29	61,895.46
Fees and commission	233.75	178.94
Others	1,979.14	1,231.07
Total revenue from operations*	**60,610.18**	**63,305.47**

** The revenue from operations is earned in India.*

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 31: OTHER INCOME

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Net gain on derecognition of property, plant and equipment	9.54	8.35
Provisions no longer required written back	8.39	-
Others	635.03	432.42
Total	**652.96**	**440.77**

NOTE 32: FINANCE COSTS

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
On financial liabilities measured at amortised cost:		
Interest on debt securities	10,323.16	9,376.75
Interest on borrowings	8,407.90	11,463.07
Interest on subordinated liabilities	3.74	7.75
Other borrowing costs	733.06	850.54
Finance cost on lease liability	645.83	491.36
Total	**20,113.69**	**22,189.47**

NOTE 33: FEES AND COMMISSION EXPENSE

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
On financial liabilities measured at amortised cost:		
Commission paid	260.16	201.78
Total	**260.16**	**201.78**

NOTE 34: IMPAIRMENT ON FINANCIAL INSTRUMENTS

The below table show impairment loss on financial instruments charges to statement of profit and loss based on category of financial instrument.

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
On financial instruments measured at amortised cost:		
Loans	4,838.86	4,413.59
Investments	(1.11)	(3.74)
Assets held for sale	23.95	-9.04
Total	**4,861.70**	**4,400.81**

NOTE 35: EMPLOYEE BENEFITS EXPENSE

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Salaries and wages	10,098.34	7,558.23
Contribution to provident and other funds	876.55	724.83
Share based payments to employees	-	2.82
Staff welfare expenses	275.22	143.17
Total	**11,250.11**	**8,429.05**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 36: DEPRECIATION AND AMORTISATION

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Depreciation of tangible assets	785.62	767.15
Amortization of intangible assets	122.65	93.15
Depreciation on right of use assets	1,071.49	849.16
Total	**1,979.76**	**1,709.46**

NOTE 37: OTHER EXPENSES

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Rent	342.05	202.08
Energy costs	220.54	232.32
Repairs and maintenance		
-Vehicles	2.57	1.60
- Others	308.56	257.93
Rates and taxes	74.55	112.74
Printing and stationery	140.83	75.21
Travelling and conveyance	530.77	394.27
Advertising and publicity	905.74	428.05
Directors' fees, allowances and expenses	32.33	21.92
Payment to auditors (Refer note (i) below)	16.70	19.86
Insurance	197.38	167.71
Communication expenses	462.53	369.99
Legal and professional charges	288.39	226.19
Corporate social responsibility expenses	388.88	314.36
Other expenditure	451.04	179.18
IT support	505.35	553.55
Security charges	94.25	98.31
Total	**4,962.46**	**3,655.27**

NOTE (I) PAYMENT TO AUDITORS

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
As auditors:		
Statutory audit fee	8.94	10.25
Limited reviews	6.56	4.71
Other statutory attest services	0.88	3.00
Reimbursement of expenses	0.32	1.90
Other services	-	-
Total	**16.70**	**19.86**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Note (ii) Details of CSR expenditure

	Particulars	For year ended 31 March 2022	For year ended 31 March 2021
a)	Gross amount required to be spent by the group during the year	388.88	242.53

b)	Amount spent during the year ended on 31 March 2022	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of assets	-	-	-
ii)	On purpose other than (i) above	216.28	172.60	388.88

c)	Amount spent during the year ended on 31 March 2021	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of assets	-	-	0
ii)	On purpose other than (i) above	250.55	-	250.55

Reason for shortfall in CSR expenditure: The amount remains unspent is pertaining to the ongoing projects and the same have been transferred to CSR unspent account. There were procedural delays in getting permission from statutory authorities to complete the projects which lead to extend the projects more than one year. The amount so transferred will be spend with in a period of 3 years.

Nature of CSR expenditure: CSR projects of the Group are focused on

i) Promotion of quality education

ii) Promotion of healthcare/preventive healthcare

iii) Rural development projects measures for reducing inequalities faced by socially and economically backward group

iv) Eradicating hunger, poverty and malnutrition

v) Women empowerment

vi) Environment sustainability etc.

which includes both ongoing and one year projects.

Details of related party transactions with respect to CSR expenditure are showed under note 47.

NOTE 38: INCOME TAX

The Group has computed the tax expense of the current financial year and previous year as per the tax regime announced under section 115BAA of the income Tax Act, 1961. Accordingly, the provision for current and deferred tax has been determined at the rate of 25.17%.

The components of income tax expense for the period ended 31 March 2022 and 31 March 2021 are:

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Current tax	4,433.87	6,790.42
Adjustment in respect of current income tax of prior years	(27.36)	(91.36)
Deferred tax relating to origination and reversal of temporary differences	141.67	(788.23)
Total tax charge	**4,548.18**	**5,910.83**
Current tax	4,433.87	6,699.06
Deferred tax	141.67	(788.23)

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Reconciliation of income tax expense:

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Profit before tax	17,835.23	23,160.40
Current tax as per books (Effective rate of Tax)	4,287.88	5,829.47
- Adjustment of prior year tax and MAT credit	-	-
- Income exempt from tax		
- Non deductible tax expenses (donations, corporate social responsibility, interest late payments and penalty)	35.73	62.69
- Income tax at different rates	-	-
- Effect of deferred tax remeasurement	110.25	
- Effect of change in previous year tax	-	110.01
- Current tax relating to earlier years		(91.36)
Current tax as per statement of profit and loss	**4,433.86**	**5,910.83**

Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement gain / (charge)	OCI gain / (charge)	Others - Adjusted in Statement of Profit and Loss in other equity
	31 March 2022	31 March 2022	2021-22	2021-22	2021-22
Provisions for litigations and compensated absences	73.79	-	17.35	-	-
Property, plant and equipment and Right of use asset (Net of lease liabilities)	317.14	-	20.46	-	-
'Right of use asset (Net of lease liabilities)	192.51	1.08	79.40	-	-
Impairment allowance for financial assets	1,135.19	-	(54.04)	0.42	-
Remeasurement gain / (loss) on defined benefit plan	112.01	-	23.89	(14.63)	-
Derivative instruments in cash flow hedge relationship	85.39	-	3.44	48.93	-
Debt instrument measured at amortised cost	-	(99.34)	99.54	-	-
Financial assets measured at amortised cost	-	4.15	10.24	-	-
Other temporary differences	19.05	2.20	(329.61)	-	-
Provision for fraud insurance claim receivable	17.94	-	2.08	-	-
Borrowings	7.90	-	10.73	-	-
Effective interest rate on PTC loans	-	(186.65)	(29.67)	-	-
Cash flow hedge reserve	-	(6.90)	-	(7.31)	-
Unamortised processing fess	7.77	-	(1.54)	-	-
Present value discounting of security deposit and documentation fee	57.06	-	6.07	-	-
Total	**2,025.75**	**(285.46)**	**(141.66)**	**27.41**	**-**
Net deferred tax asset as at 31 March 2022	**1,740.29**	**-**			

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement gain / (charge)	OCI gain / (charge)	Others - Adjusted in Statement of Profit and Loss in other equity
	31 March 2021	31 March 2021	2020-21	2020-21	2020-21
Provisions for litigations and compensated absences	56.68	-	(54.68)	-	-
Property, plant and equipment and Right of use asset (Net of lease liabilities)	407.10	(0.47)	167.39	-	-
Impairment allowance for financial assets	-	-	-	-	-
Fair value of financial instruments held for trading	1,189.27	-	537.76	-	-
Remeasurement gain / (loss) on defined benefit plan	102.81	-	34.61	17.63	-
Movement in the fair value of own credit risk of financial liabilities designated at FVTPL	33.02	-	2.22	36.75	-
Gain / loss on equity instrument designated at FVOCI	50.99	(198.88)	65.12	-	-
Derivative instruments in cash flow hedge relationship	-	(6.10)	(0.72)	-	-
Cost of hedging for currency basis spread when excluded from designation in a hedge relationship	354.96	(1.54)	168.19	-	
Debt instrument measured at amortised cost	15.85	-	15.85	-	-
Financial assets measured at amortised cost	-	(2.83)	(2.83)	-	-
Other Derivative financial instruments	2.99	(156.98)	(153.99)	-	-
On acquisition of Subsidiary on consolidation (Refer Note 59)	-	(1.64)	-	(1.64)	-
Other temporary differences	9.31	-	9.31	-	-
Total	**2,222.98**	**(368.44)**	**788.23**	**52.74**	**0.00**
Net deferred tax asset as at 31 March 2021	**1,854.54**				

NOTE 39: EARNINGS PER SHARE

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Net profit for calculation of basic earnings per share	13,287.05	17,249.57
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	**84,63,82,729**	**84,57,29,191**
Effect of dilution:		
Stock options granted under ESOP (Nos.)	19,000	29,921
Weighted average number of equity shares in calculating diluted earnings per share (Nos.)	**84,64,01,729**	**84,57,59,112**
Basic earnings per share (₹)	15.70	20.40
Diluted earnings per share (₹)	15.70	20.40

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 40: INVESTMENT IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Group and its subsidiaries. Group does not have any joint ventures or associates. Manappuram Finance Limited is the ultimate parent of the Group.

SIGNIFICANT SUBSIDIARIES OF GROUP ARE:

Name of subsidiary	Country of incorporation	% equity interest 31 March 2022	% equity interest 31 March 2021
Manappuram Home Finance Limited	India	100.00%	100.00%
Manappuram Insurance Brokers Limited	India	100.00%	100.00%
Asirvad Microfinance Limited	India	97.51%	94.79%
Manappuram Comptech and Consultants Limited	India	99.81%	99.81%

Asirvad Microfinance Limited is the only significant subsidiary of Group that has a material non-controlling interest (31 March 2022: 2.487%, 31 March 2021: 5.21%). The following table summarises key information relevant to Asirvad Microfinance Limited:

Particulars	31 March 2022	31 March 2021
Loans to customers and staff	54,261.67	47,959.57
Other assets	13,875.12	10,296.37
Trade payables	268.83	244.72
Other liabilities	57,147.43	47,456.87
Net assets	**10,720.53**	**10,554.35**
Accumulated non-controlling interests of the subsidiary	266.62	549.88
Net interest margin	**6,094.75**	**5,000.87**
Profit after tax	**134.32**	**168.82**
Profit allocated to non-controlling interest	3.34	8.80
Dividends paid to non-controlling interests	-	-

NOTE 41: EMPLOYEE STOCK OPTION SCHEME (ESOS)

EMPLOYEE STOCK OPTION SCHEME (ESOS), 2016

The details of the Employee Stock Option Scheme 2016 are as under:

<table>
<tr><td>Date of share holders' approval</td><td>05 July 2016</td></tr>
<tr><td>Number of options approved</td><td>2,52,36,214</td></tr>
<tr><td>Date of grant</td><td>08 August 2016</td></tr>
<tr><td>Method of Accounting</td><td>The Holding Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black Scholes Model. The key assumptions used in Black Scholes Model for calculating fair value as on the date of grant are:
<table><tr><th>(Rf)Interest Rate</th><th>Expected Life</th><th>Dividend Yield</th><th>Expected Volatility</th></tr><tr><td>7.03% to 7.25%</td><td>3 to 5 years</td><td>2.95%</td><td>49.68%-55.38%</td></tr></table></td></tr>
<tr><td>Date of In principle Approval</td><td>In principle approval of the BSE was obtained on 20 December 2016 and NSE on 28 December 2016.</td></tr>
<tr><td>Number of options granted</td><td>1,37,50,466</td></tr>
<tr><td>Method of settlement</td><td>Equity</td></tr>
</table>

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Graded Vesting	Graded vesting shall happen in a graded basis in three tranches over a period of three years. a) The first tranche of 30% shall be vested when a period of 12 months would expire from the Date of grant; b) The second tranche of 30% shall be vested when a period of 24 months would expire from the Date of grant; c) The third tranche of 40% shall be vested when a period of 36 months would expire from the Date of grant.
Exercisable period	The vested options shall be allowed for exercise on and from the date of vesting. The vested options need to be exercised with in a period of one year and 30 days from the date of vesting of the respective tranche through the exercise window to apply for ESOS shares against options vested with the eligible employee in pursuance of the scheme. However, the eligible employee has a right to exercise the options vested in the first tranche and second tranche on or before the expiry of the exercise period of the third tranche, utilising the exercise window which shall be a period of 30 days from the close of each half of the year counted from the date of vesting during the exercise period.
Vesting conditions	Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting.
Source of shares	Primary
Variation in terms of options	No Variations made to the term of Scheme

The Company has adopted ESOS 2016 as per SEBI (Share Based Employee Benefits) Regulation, 2014 and has recorded a compensation expense using the fair value method as set out in those regulations.

The Group has granted 13750466 options at an exercise price of 86.45 on 08 August 2016 which will vest over a period of three years from the grant date (08 August 2016) and the vesting of options shall be at 30% each in the first and second year and the balance 40% in the third year from the date of grant.

The summary of the movements in options is given below:

Particulars	31 March 2022	31 March 2021
Options outstanding, beginning of year	70,000	60,60,932
Options granted during the year	-	-
Lapsed options restored during the year	-	0
Options lapsed during the year	-	(46,19,328)
Options exercised during the year	(30,000)	(13,71,604)
Options unvested and outstanding at the end of the year	**40,000**	**70,000**

Particulars	31 March 2022	31 March 2021
Weighted average remaining contract life of options	-	-
Weighted average market price at the exercise date	-	-

Particulars	Vesting I 8 August 2017 30%	Vesting II 8 August 2018 30%	Vesting III 8 August 2019 40%
Fair value per vest (₹)	26.11	30.61	34.29
Risk-free interest rate (%)	7.03	7.15	7.25
Expected life	3 years	4 years	5 years
Expected volatility (%)	49.68	52.66	55.38
Expected dividend yield (%)	2.95	2.95	2.95
Share price on the date of grant (face value of ₹ 10/-)	86.45	86.45	86.45

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility has been considered is the expected life of the option.

Asirvad Microfinance Limited

Employee Stock Option Scheme (ESOS), 2019

The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	February 2, 2019
Number of options approved	8,30,000
Date of grant	July 1, 2019
Number of options granted	8,30,000
Method of settlement	Equity
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1,2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023
Exercisable period	4 years from vesting date
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of ₹ 364/- on July 1,2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1,2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023. The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

(b) The summary of the movements in options is given below:

Particulars	31 March 2022	31 March 2021
Options outstanding, beginning of year	5,12,500	6,55,000
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed options restored during the year	-	-
Options lapsed during the year	-	1,42,500
Options exercised during the year	-	-
Options unvested and Outstanding at the End of the Year	**5,12,500**	**5,12,500**
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	5,12,500	5,12,500
	5,12,500	**5,12,500**

(c) Pro-forma Disclosures for ESOS :

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, no compensation cost for ESOS 2019 has been recognized based on the fair value at the date of grant. Hence there is no impact on profit after tax and there is no dilution in earning per share.

(d) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under

Option fair value	80.93
Risk free interest rate	6.88%
Expected Life (in years)	3.00
Expected volatility	50.00%
Share price on the date of grant (face value ₹ 10 per share)	239.37

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 42: RETIREMENT BENEFIT PLAN

DEFINED CONTRIBUTION PLAN

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 540.64 Mn (31 March 2021: ₹ 481.95 Mn) for Provident Fund contributions and ₹ 171.83 Mn (31 March 2021: ₹ 127.09 Mn) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Kotak Life Insurance.

Update on the Code on Social Security, 2020 ('Code')

The Code on Social Security, 2020 (the "Code") has been enacted. The date of coming into force of the various provisions of the Code is to be notified and the rules thereunder are yet to be announced. The potential impact of the change will be estimated and accounted in the period of notification.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net employee benefit expense recognised in the statement of profit and loss

Components of employer expense	31 March 2022	31 March 2021
Current service cost	251.68	205.24
Interest cost on benefit obligation	1.48	
Expected return on plan assets		
Past service cost	0.03	(0.19)
Net interest on net defined benefit liability/ (asset)	9.90	5.82
Actuarial (Gain) / Loss	2.27	32.01
Benefits paid	(2.03)	
Total employer expense recognised in statement of profit and loss	**263.33**	**242.88**

Net employee benefit expense recognised in the Other Comprehensive Income

Movement in Other Comprehensive Income (OCI)	31 March 2022	31 March 2021
Balance at start of year (loss)/gain	(172.45)	(119.31)
Actuarial (loss)/gain from changes in financial assumptions	0.24	(21.74)
Actuarial (loss)/gain from experience over the past year	3.58	(46.12)
Return on plan assets, excluding amount included in net interest on the net defined benefit liability/(asset)	25.10	(3.05)
Actuarial (loss) / gain from changes in demographic assumptions	(25.42)	0.89
Balance at end of year (loss)/gain	**(168.95)**	**(189.33)**

Experience adjustments

Particulars	31 March 2022	31 March 2021
Defined benefit obligation	1,302.91	(837.90)
Fair value of plan assets	1,114.08	996.65
Asset/(liability) recognized in the balance sheet	(166.72)	(205.76)
Experience adjustments on plan liabilities (gain) / loss	28.53	40.91
Experience adjustments on plan assets gain / (loss)	(10.07)	(3.20)

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows:

Components of employer expense	31 March 2022	31 March 2021
Opening defined benefit obligation	1,165.33	928.93
Transfer in/out	0.53	(15.59)
Interest cost	69.35	57.89
Current service cost	248.36	205.24
Benefits paid	(111.62)	(77.70)
Past service cost	-	(0.19)
Actuarial loss / (gain) from changes in financial assumptions	(29.55)	40.28
Actuarial loss / (gain) from experience over the past year	(14.08)	42.34
Closing defined benefit obligation	**1,328.32**	**1,181.20**

Changes in the fair value of plan assets are as follows:

Components of employer expense	31 March 2022	31 March 2021
Opening fair value of plan assets	996.66	726.53
Transfer in/out	0.36	(1.93)
Expected return	58.11	51.28
Contributions by employer	196.06	284.88
Benefits paid	(113.64)	(77.70)
Actuarial gains / (losses)	(9.30)	(3.04)
Interest income on Plan Assets	1.28	
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(0.39)	
On acquisition of Subsidiary		16.12
Closing fair value of plan assets	**1,114.10**	**996.14**
Expected contribution to fund to be made in the next year	205.00	209.00

The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

A) HOLDING COMPANY

Manappuram Finance Limited

Particulars	31 March 2022	31 March 2021
Discount rate	6.30%	5.90%
Salary growth rate	8.00%	8.00%
Attrition rate	15.00%	15.00%
Expected rate of return on assets	5.90%	6.20%

B) SUBSIDIARY COMPANIES

(i) Asirvad Microfinance Limited

Particulars	31 March 2022	31 March 2021
Discount rate	6.53%	6.75%
Salary growth rate	10.00%	10.00%
Attrition rate	24.00%	16.00%

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

(ii) Manappuram Home Finance Limited

Particulars	31 March 2022	31 March 2021
Salary escalation	8.00%	8.00%
Discount rate	5.40%	5.00%
Attrition rate		
- Managerial grade and above	15.00%	15.00%
- Below managerial grade	50.00%	50.00%
Expected rate of return on assets	5.00%	5.50%

(iii) Manappuram Insurance Brokers Limited

Particulars	31 March 2022	31 March 2021
Discount rate	5.80%	5.50%
Attrition rate	20.00%	20.00%
Salary increase rate	8.00%	8.00%
Expected return on plan assets	5.50%	5.80%

(iv) Manappuram Comptech and Consultants Limited

Particulars	31 March 2022	31 March 2021
Discount rate	7.10%	6.65%
Salary growth rate	6.00%	6.00%

Percentage Break-down of Total Plan Assets

A) Holding Company

Manappuram Finance Limited

Particulars	31 March 2022	31 March 2021
Investment funds with insurance company	99.83%	99.99%
Of which, unit linked	22.99%	25.69%
Of which, traditional/ non-unit linked	76.83%	74.30%
Cash and cash equivalents	0.17%	0.01%
Total	**100%**	**100%**

B) Subsidiary Companies

(i) Asirvad Microfinance Limited

Particulars	31 March 2022	31 March 2021
Investment Funds with insurance company	100%	100%
Total	**100%**	**100%**

(ii) Manappuram Home Finance Limited

Particulars	31 March 2022	31 March 2021
Investment Funds with insurance company	96%	100%
Of which, unit linked	0%	0%
Of which, traditional/ non-unit linked	96%	100%
Total	**96%**	**100%**

(iii) Manappuram Insurance Brokers Limited

Particulars	31 March 2022	31 March 2021
Investment Funds with insurance company	100%	100%
Total	**100%**	**100%**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

SENSITIVITY ANALYSIS

A) Holding Company

Manappuram Finance Limited

Assumptions	31 March 2022 Discount rate		31 March 2021 Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	(71.99)	81.86	(67.16)	76.63

Assumptions	31 March 2022 Salary growth Rate		31 March 2021 Salary growth Rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation [Increase/ (Decrease)]	79.69	(71.55)	74.30	(66.52)

B) SUBSIDIARY COMPANIES

(i) Asirvad Microfinance Limited

Assumptions	31 March 2022 Discount rate		31 March 2021 Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	(3.20)	3.34	(4.06)	4.33

Assumptions	31 March 2022 Discount rate		31 March 2021 Future salary increases	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation	3.19	(3.09)	(2.10)	2.24

(ii) Manappuram Home Finance Limited

Assumptions	31 March 2022 Discount rate		31 March 2021 Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(1.04)	1.15	(0.95)	0.97

Assumptions	31 March 2022 Discount rate		31 March 2021 Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	1.11	(1.03)	(0.78)	0.86

(iii) Manappuram Insurance Brokers Limited

Assumptions	31 March 2022 Discount rate		31 March 2021 Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.63)	0.69	(0.62)	0.68

Assumptions	31 March 2022 Discount rate		31 March 2021 Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.67)	0.62	(0.46)	0.50

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

(iv) Manappuram Comptech and Consultants Limited

Assumptions	31 March 2022		31 March 2021	
	Discount rate		Future salary increases	
Sensitivity Level	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on defined benefit obligation	(20.27)	21.28	(15.49)	16.30

Assumptions	31 March 2022		31 March 2021	
	Discount rate		Future salary increases	
Sensitivity Level	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Impact on defined benefit obligation	(23.94)	18.14	(12.69)	13.34

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 5.5 years (2021: 5.5 years)

The fund is administered by Life Insurance Corporation of India ("LIC") and Kotak Life Insurance. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Group's plans are shown below:

A) Holding Company
Manappuram Finance Limited

Particulars	31 March 2022	31 March 2021
	%	%
Discount rate	6.30%	5.90%
Attrition rate	15.00%	15.00%
Salary escalation	8.00%	8.00%

B) Subsidiary Companies
(i) Asirvad Microfinance Limited

Particulars	31 March 2022	31 March 2021
	%	%
Discount rate	6.53%	6.59%
Salary escalation	10%	10%
Attrition Rate	24%	16%

(ii) Manappuram Home Finance Limited

Particulars	31 March 2022	31 March 2021
	%	%
Discount rate	5.40%	5.00%
Salary escalation	8%	8%
Attrition rate		
- Managerial grade and above	15%	15%
- Below managerial grade	50%	50%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 43: MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	23,707.66	-	23,707.66	25,482.10	-	25,482.10
Bank balance other than above	3,244.99	20.89	3,265.88	3,634.50	7.58	3,642.08
Derivative financial instruments	27.41	-	27.41	-	-	-
Trade receivables	-	-	-	-	-	-
Loans	2,44,637.56	45,072.89	2,89,710.45	2,38,620.27	26,455.84	2,65,076.11
Investments	0.19	4,206.84	4,207.03	1.31	3,378.80	3,380.11
Other financial assets	3,295.25	6.34	3,301.59	2,330.37	1,325.34	3,655.71
Non-financial Assets						
Current tax asset	-	922.95	922.95	-	203.81	203.81
Deferred tax assets (net)	-	1,740.28	1,740.28	-	1,854.54	1,854.54
Investment property	-	0.86	0.86	-	0.86	0.86
Property, plant and equipment	-	3,531.68	3,531.68	-	2,866.50	2,866.50
Capital work-in-progress	-	107.03	107.03	-	75.07	75.07
Intangible assets under development		23.22	23.22			
Right of use asset	-	6,371.42	6,371.42		5,759.99	5,759.99
Goodwill	-	355.65	355.65	-	355.65	355.65
Other intangible assets	-	260.53	260.53	-	277.51	277.51
Other non financial assets	447.52	124.36	571.88	50.95	696.82	747.77
Total assets	**2,75,360.58**	**62,744.94**	**3,38,105.52**	**2,70,119.50**	**43,258.31**	**3,13,377.81**
Liabilities						
Financial Liabilities						
Derivative financial liabilities	301.19	-	301.19	359.78	-	359.78
Trade Payables	1,416.50	-	1,416.50	1,242.03	-	1,242.03
Debt Securities	63,138.46	30,079.82	93,218.28	52,692.12	60,131.88	1,12,824.00
Borrowings (other than debt security)	94,897.60	49,870.14	1,44,767.74	78,361.10	33,781.03	1,12,142.13
Deposits	0.70	-	0.70	0.70	-	0.70
Subordinated Liabilities	3,198.04	-	3,198.04	1,025.10	1,170.69	2,195.79
Lease Liability	746.77	6,233.11	6,979.88	704.44	5,404.44	6,108.88
Other Financial liabilities	1,497.25	1,003.60	2,500.85	3,261.22	20.00	3,281.22
Non-financial Liabilities						
Provisions	718.12	9.74	727.86	715.44	3.50	718.94
Other non-financial liabilities	1,149.93	-	1,149.93	957.98	-	957.98
Total Liabilities	**1,67,064.57**	**87,196.40**	**2,54,260.97**	**1,39,319.91**	**1,00,511.54**	**2,39,831.45**
Net	**1,08,296.02**	**(24,451.45)**	**83,844.55**	**1,30,799.59**	**(57,253.23)**	**73,546.36**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 44: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at 31 March 2021	Cash Flows	Other	As at 31 March 2022
Debt securities	1,12,824.00	(19,280.12)	(325.60)	93,218.28
Borrowings other than debt securities	1,12,142.13	32,730.12	(104.51)	1,44,767.74
Subordinated liabilities	2,195.79	1,002.25	(0.00)	3,198.04
Total liabilities from financing activities	**2,27,161.92**	**14,452.25**	**(430.11)**	**2,41,184.06**

Particulars	As at 31 March 2020	Cash Flows	Other	As at 31 March 2021
Debt securities	80,555.04	32,975.72	(706.76)	1,12,824.00
Borrowings other than debt securities	1,43,946.26	(31,696.92)	(107.21)	1,12,142.13
Subordinated liabilities	1,233.77	961.55	0.47	2,195.79
Total liabilities from financing activities	**2,25,735.07**	**2,240.35**	**(813.50)**	**2,27,161.92**

NOTE 45: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS

(A) CONTINGENT LIABILITIES

(a) Applicability of Kerala Money Lenders' Act

The Holding Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Holding Company has taken legal opinion on the matter and based on such opinion the management is confident of a favorable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Income tax demand under appeal before the Commissioner of Income Tax (Appeals) for the Assessment Year 2012-13 to 2017-18	769.91	769.91
ii)	Income tax demand under regular assessment for the Assessment Year 2018-19	1.38	1.38
ii)	Kerala Value Added Tax demands under appeal pending before the Deputy Commissioner for the Assessment Years 2009-10, 2010-11, 2011-12, 2012-13 and 2014-15 (Excluding Penalty and Interest, if any)	44.94	43.69
Total		**816.23**	**814.98**

b) The Holding Company has some labour cases pending against it in various courts and with labour Commissioners of various States. The Group's liability for these cases are not disclosed since actual liability to be provided is unascertainable.

Income Tax (A.Y. 2015-16)

During the FY 2017-18, the Asirvad has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 112.45 Mn by taxing the receipt of share premium amount received by the Asirvad as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Asirvad has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the Asirvad strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Asirvad has paid an amount of ₹ 22.49 Mn being 20% of the total demand and the same has been disclosed as part of deposit under protest.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Asirvad has received favourable order from CIT(A), the Asirvad expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Asirvad' s rights for future appeals.

Income Tax (A.Y. 2016-17)

During the FY 2018-19, the Asirvad has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 197.8 Mn by taxing the receipt of share premium amount received by the Asirvad as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the Asirvad strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Asirvad has paid an amount of ₹ 39.58 Mn being 20% of the total demand and the same has been disclosed as part of Deposit under protest.

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Asirvad has received favourable order from CIT(A), the Asirvad expects a favorable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Asirvad' s rights for future appeals.

Income Tax (A.Y. 2017-18)

The accounting for securitisation transaction is governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly Asirvad has recorded securitization and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitization and assignment transactions and added the same to our total income on the ground that Asirvad had made true sale of the securitized assets by derecognizing the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of ₹ 142.43 Mn in this regard. Asirvad had received advice from tax counsel to contest the above demand as the Asirvad' s accounting of transactions is in line with RBI's extant guidelines. Assessing officer disallowed Demonetized currencies deposited to bank account subsequent to 8th November 2016 and added the same under Income from Other Sources as unexplained money u/s 69A of Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of ₹ 9.71 Mn in this regard. Asirvad is advised by Tax Counsel to contest this demand on the ground that there is no specific provision in the Income Tax Act to tax the amounts received as demonetized currencies.

The Asirvad had filed appeals against both the above demands with the Commissioner of Income Tax-Appeals. Based on professional advice, the Asirvad strongly believes that the case will be decided in their favour and hence no provision has been considered. However, in the FY 2019-20, the Asirvad had paid an amount of ₹ 30.43 Mn , being 20% of the above total demands and the same has been disclosed as part of Deposit under Protest. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Asirvad' s rights for future appeals.

(B) COMMITMENTS

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances as on 31 March 2022 is ₹ 97.27 Mn (31 March 2021: ₹ 227.20 Mn).

(ii) The Holding Company has entered into an agreement for outsourcing of Information Technology support in August 2020 for a period of 5 years with an total expense of ₹ 520 Mn.

(C) LEASE DISCLOSURES

(a) Leases of branch premises

(i) Ind AS 116 "Leases" is applied the standard to all lease contracts The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset measured at the amount of the initial measurement of the lease liability.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

(ii) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. Discount rate has been taken as the Incremental Borrowing rate of borrowings with similar tenure.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) The Group takes branch premises and computers on lease. Below are the changes made during the year in the carrying value of:

Right-of-use assets

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**5,759.99**	**4,190.64**
Recognition of deferred lease rentals	-	11.91
Additions	1,682.92	2,442.67
Deletion	-	(36.07)
Depreciation	(1,071.49)	(849.16)
Closing balance	**6,371.42**	**5,759.99**

Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**6,108.88**	**4,486.54**
Additions	1,682.92	2,422.05
Deletion	(33.06)	(1.71)
Payment of Lease liabilities	(1,424.70)	(1,289.36)
Finance cost accrued during the period	645.83	491.36
Closing balance	**6,979.88**	**6,108.88**

Amounts recognised in profit and loss

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense on right-of-use assets	1,071.49	849.16
Interest expense on lease liabilities	645.83	491.36

Maturity analysis of Lease Liability

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	746.77	704.44
Later than one year but not later than four years	1,783.51	2,029.34
Later than four years	4,449.60	3,375.10
Closing	**6,979.88**	**6,108.88**

Finance leases:

The Holding Company has finance leases for Computers. These leases are non-cancellable and has no escalation clause. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Computers

Particulars	31 March 2022	31 March 2021
Total minimum lease payments at the year end	-	15.06
Less: amount representing finance charges	-	0.85
Present value of minimum lease payments	-	14.21
Lease payments for the year	-	36.46
Minimum lease Payments:	-	
Less than one year [Present value as on 31 March 2022: ₹Nil , Present value as on 31 March 2021: ₹14.21 Mn)]	-	15.06
Later than one year but not later than five years [Present value on March 31, 2022: ₹ Nil , as on March 31 ,2021: ₹Nil)]	-	-

NOTE 46: STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST

Name of the entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit and loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of Total comprehensive income	Amount
Manappuram Finance Limited	94.72%	79,417.33	98.18%	13,045.38	138.84%	(113.20)	97.93%	12,932.18
Subsidiaries								
Manappuram Home Finance Limited	0.17%	144.80	0.54%	72.11	-0.83%	0.68	1.55%	72.79
Manappuram Insurance Brokers Limited	0.07%	62.54	0.25%	33.31	1.55%	(1.26)	0.24%	32.05
Asirvad Microfinance Limited	4.77%	3,997.71	0.99%	131.65	-40.14%	32.73	1.24%	164.38
Manappuram Comptech and Consultants Limited	0.07%	61.09	0.01%	1.90	1.44%	(1.17)	0.00%	0.73
Non controlling interest in subsidiaries	0.19%	161.07	0.02%	2.70	-0.86%	0.70	0.03%	3.40
Total	**100.00%**	**83,844.55**	**100.00%**	**13,287.05**	**100.00%**	**(81.53)**	**100.00%**	**13,205.52**

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 47: RELATED PARTY DISCLOSURES

Relationship	Name of the party
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives.	Manappuram Jewellers Limited
	Manappuram Agro Farms Limited
	Manappuram Foundation
	Manappuram Health Care Limited
	Manappuram Construction and Consultants Limited
	Manappuram Chit Funds Company Private Limited *
	MABEN Nidhi Limited
	Manappuram Asset Finance Limited
	Manappuram Chits (Karnataka) Private Limited *
	Manappuram Chits India Limited
	Adlux Medicity and Convention Centre Private Limited
	MAFIN Enterprise *
	Manappuram travels
	Manappuram Chits *
	DTA Advisory Pvt Ltd*
	DTB Advisory Pvt Ltd*
	DT3 Advisory Pvt Ltd*
	Lions Coordination committee of India association
	Finance Industry Development Council
	LICHFL Trustee Company Pvt Ltd*
	FINTECH Products and Solutions (India)Pvt Ltd*
	FINSEC AA Solutions Pvt Ltd*
	Apax Partners India Private Limited
	Mukundapuram Educational Society
	Orange Retail Finance India Private Limited*
	Manappuram Group Gratuity Trust(Approved under IT Act)
	JSW Industrial Gases Pvt Ltd*
	Veritas Finance Private Limited*
	NETAFIM Agricultural Financing Agency Pvt ltd*
	VISTAAR Financial services Pvt Ltd*
	SNST Advisories Pvt Ltd*
	Best Value Money Exchange Ltd *
	Cashpor Micro Credit *
	CDP (Climate Disclosure Project) India Ops Pvt Ltd*
	Fast Encash Money Transfer Services-Uk*
	Gateway Gardens (Block B) Management Ltd*
	Satsure Analytics India Pvt Ltd*
	Value Finance Corporation Limited*
	Value Finance Ltd*
	Lions Club International*
	IIM Calicut*
	Manappuram Finance Staff Welfare Fund
	Banking, Financial Services And Insurance(BFSI)*
	Morgan & Harvey Services Ltd*

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
Key Management Personnel	Mr. V P Nandakumar - Managing Director & CEO
	Mr. Shailesh J Mehta-Chairman
	Mr.Jagdish Capoor - Ex Chairman
	Mr. B.N Raveendra Babu - Non Executive Director
	Mrs. Bindu AL - Chief Financial Officer
	Mr. Manoj Kumar VR - Company Secretary
	Mr.P.Manomohanan-Director
	Adv.V.R.Ramachandran-Director
	Mr.Gautam Ravi Narayan - Director
	Ms. Sutapa Banerjee-Director
	Mr. Abhijit Sen-Director
	Mr. Harshan Kollara-Director
	Mr.S R Balasubramanian
Relatives of Key Management Personnel	Mrs. Sushama Nandakumar (wife of Mr. V P Nandakumar)
	Mr. Sooraj Nandan (son of Mr. V P Nandakumar)*
	Mrs Sumitha Jayshankar(daughter of Mr. V P Nandakumar)*
	Mr. Suhas Nandan (son of Mr. V P Nandakumar)
	Mrs. Shelly Ekalavyan (sister of Mr. V P Nandakumar)*
	Mrs.Jyothi Prasannan(sister of Mr.V.P.Nandakumar)*
	Mrs. Rajalakshmi Raveendra Babu (wife of Mr. B.N Raveendra Babu)*
	Ms. Biji Babu (daughter of Mr. B.N Raveendra Babu)*
	Mr.Benny V.L (Husband of Mrs. Bindu A L)*
	Jayasankar S (Relative of Mr. V.P Nandakumar)*
	Shruthi (Relative of Mr. V.P Nandakumar)*
	Niniraj (Relative of Mr. V.P Nandakumar)*
	Bobby Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Arunkumar (Relative of Mr. B.N Raveendra Babu)*
	Leena NS (Relative of Mr. V.R. Ramachandran)*
	Anju VR (Relative of Mr. V.R. Ramachandran)*
	Subhadra Manomohan (Relative of Mr. P.Manomohanan)*
	Sajith (Relative of Mr. P.Manomohanan)*
	Asha (Relative of Mr. P.Manomohanan)*
	Balachandran (Relative of Mr. P.Manomohanan)*
	Suresh Kumar (Relative of Mr. P.Manomohanan)*
	Ragunath (Relative of Mr. P.Manomohanan)*
	Sreedharan (Relative of Mr. P.Manomohanan)*
	Archna Anand (Relative of Mr. Gautam Narayan)*
	Ravi Narayan (Relative of Mr. Gautam Narayan)*
	Gomathy Narayan (Relative of Mr. Gautam Narayan)*
	Advait Gautam Narayan (Relative of Mr. Gautam Narayan)*
	Gauri Narayan (Relative of Mr. Gautam Narayan)*
	Mr. Aniruddha Bhaskar Banerjee (Relative of Ms. Sutapa Banerjee)*
	Mr Joydeb Banerjee (Relative of Ms. Sutapa Banerjee)*
	Smt. Nibedita Banerjee (Relative of Ms. Sutapa Banerjee)*
	Ms. Diya Banerjee (Relative of Ms. Sutapa Banerjee)*

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Relationship	Name of the party
	Ms. Suchandra Baneriee (Relative of Ms. Sutapa Banerjee)*
	Tamashree Sen (Relative of Mr. Abhijit Sen)*
	Arati sen (Relative of Mr. Abhijit Sen)*
	Rohan Sen (Relative of Mr. Abhijit Sen)*
	Vivek Sen (Relative of Mr. Abhijit Sen)*
	Snehal Naik (Relative of Mr. Abhijit Sen)*
	Amanda Barbee (Relative of Mr. Abhijit Sen)*
	Bishwajit Sen (Relative of Mr. Abhijit Sen)*
	Nandakumar Kollara (Relative of Mr. Harshan Kollara)*
	Jaihari Kollara (Relative of Mr. Harshan Kollara)*
	Mrs.Elena T Kollara (Relative of Mr. Harshan Kollara)*
	Dr.Sugathan Kollara (Relative of Mr. Harshan Kollara)*
	Mr. Sreenath Kollara (Relative of Mr. Harshan Kollara)*
	Sarala K S (Relative of Mr. Harshan Kollara)*
	Jayanthy K S (Relative of Mr. Harshan Kollara)*
	Sunitha K S (Relative of Mr. Harshan Kollara)*
	Sameet S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Kirtee S. Mehta (Relative of Mr. Shailesh J. Mehta)*
	Sheetal Fisher (Relative of Mr. Shailesh J. Mehta)*
	Sean Fisher (Relative of Mr. Shailesh J. Mehta)*
	Sanjay Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Umesh Jayantilal Mehta (Relative of Mr. Shailesh J. Mehta)*
	Siji M G (Relative of Mr. Manoj Kumar V R)*
	V K Raman (Relative of Mr. Manoj Kumar V R)*
	V K Vilasini (Relative of Mr. Manoj Kumar V R)*
	Harikrishna M Manoj (Relative of Mr. Manoj Kumar V R)*
	Naveen (Relative of Mr. Manoj Kumar V R)*
	Kumar V R (Relative of Mr. Manoj Kumar V R)*
	Praveen V R (Relative of Mr. Manoj Kumar V R)*
	Geetha V R (Relative of Mr. Manoj Kumar V R)*
	Benny (Relative of Mrs. Bindhu AL)*
	Lonappan (Relative of Mrs. Bindhu AL)*
	Rosily Lonappan (Relative of Mrs. Bindhu AL)*
	Amal Benny (Relative of Mrs. Bindhu AL)*
	Anna Ben (Relative of Mrs. Bindhu AL)*
	Biju A L (Relative of Mrs. Bindhu AL)*
	Nelson A L (Relative of Mrs. Bindhu AL)*

** No transactions with these related parties*

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

RELATED PARTY TRANSACTIONS DURING THE YEAR:

Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Debentures and Subordinate Bond redeemed during the year		-		-		-
Mrs. Shelly Ekalavyan		-		-		-
Interest expense		-		-		-
Mrs. Shelly Ekalavyan		-		-		-
Commission to Directors			**116.03**	**106.00**		**0.20**
Mr. V.P.Nandakumar			80.00	75.00		
Mr.Abhijit Sen			5.40	4.80		
Mr.Harshan Kollara			4.80	2.80		
Mr.Jagdish Capoor			1.40	4.00		
Mr.P Manomohanan			2.82	2.80		
Mr.Shailesh J. Mehta			6.50	5.00		
Mrs.Sutapa Banerjee			3.50	2.80		
Mr.V.R. Ramachandran			3.52	2.80		
Mr.Balasubrahmanian			2.10	-		
Mr. Raveendra Babu			6.00	6.00		
Ms. Jyothy Prasannan					-	0.20
Performance Incentive Payable			**2.00**	**-**		
Ms. Bindu A.L			2.00	-		
Sitting Fee to Directors:		**-**	**7.40**	**7.03**	**0.13**	**0.41**
Mr.Abhijit Sen		-	2.37	1.19		-
Mr.Harshan Kollara		-	1.07	0.53		-
Mr.Jagdish Capoor		-	0.28	0.70		-
Mr.P Manomohanan		-	0.63	1.24		-
Mr.Shailesh J. Mehta		-	0.88	0.55		-
Mrs.Sutapa Banerjee		-	0.83	0.81		-
Mr.V.R. Ramachandran		-	0.69	1.61		-
Mr.Balasubrahmanian			0.26	-		
Mrs. Sushama Nandakumar					0.13	0.13
Ms. Jyothy Prasannan					-	0.28
Mr. Raveendra Babu			0.40	0.40		
Remuneration to Directors	**-**	**-**	**113.65**	**91.43**	**-**	**-**
Mr. V.P.Nandakumar	-	-	95.62	75.00	-	-
Mr. Raveendra Babu	-	-	18.03	16.43	-	-

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Remuneration to other KMPs	**-**	**-**	**13.21**	**13.43**	**-**	**-**
Ms. Bindu A.L	-	-	9.68	10.32	-	-
Mr. Manoj Kumar V R	-	-	3.53	3.11	-	-
Remuneration paid to Relative of KMP	**-**	**-**	**-**	**-**	**1.33**	**1.16**
Mr. Suhas Nandan	-	-	-	-	1.33	1.16
Donation Paid	**14.99**	**31.55**				
Manappuram Foundation	14.99	31.55				
Travelling Expense paid	**2.12**	**1.59**	**-**	**-**	**-**	**-**
Manappuram Travels	2.12	1.59	-	-	-	-
Reimbursement of Travelling expense	**-**	**-**	**-**	**-**	**-**	**-**
Mr. V.P.Nandakumar	-	-	-	-	-	-
Mr. Raveendra Babu	-	-	-	-	-	-
Rent waived	**5.74**	**-**				
Manappuram Foundation	5.74	-				
Transfer of vehicle (Donation)	**1.15**	**-**				
Manappuram Foundation	1.15					
CSR Paid	**270.33**	**214.68**	**-**	**-**	**-**	**-**
Manappuram Foundation	270.33	214.68	-	-	-	-
Payment to	**189.82**	**261.76**	**-**	**-**	**-**	**-**
Lions Co-Ordination Committee Of India Association	-	0.08	-	-	-	-
Manappuram Group Gratuity Trust(Approved)	189.82	261.68				
Rent Paid	**5.57**	**5.34**		**-**	**0.15**	**0.15**
Mr. Suhas Nandan	-	-		-	0.15	0.15
Manappuram Agro Farms Limited	5.57	5.34		-	-	-
Reimbursement of Rent & Expenses	**-**	**1.90**		**-**		**-**
Manappuram Foundation	-	1.90		-		-
Rent Received	**5.43**	**5.09**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	4.04	0.38	-	-	-	-
Manappuram Agro Farms Limited	1.39	0.09	-	-	-	-
Manappuram Foundation	-	4.62	-	-	-	-
Electricity Charge Received	**0.49**	**0.56**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	0.40	0.42	-	-	-	-
Manappuram Foundation	-	0.07	-	-	-	-
Manappuram Agro Farms Limited	0.09	0.07	-	-	-	-
Purchase of assets & others	**31.66**	**-**	**-**	**-**	**-**	**-**
Manappuram Agro Farms Limited (Purchase of Land)	31.66					

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Subscription Fee paid	**0.05**	**0.05**	**-**	**-**	**-**	**-**
Finance Industry Development Council	0.05	0.05	-	-	-	-
Advertisement expense	**0.13**	**0.03**	**-**	**-**	**-**	**-**
Finance Industry Development Council	0.03	0.03	-	-	-	-
Lions Co-Ordination Committee Of India Association	0.10	-				
Fee Received for Legal, Audit,Technical,IT,secreterial services	**62.15**	**59.46**				
Manappuram Construction & Consultants Limited	56.40	54.79				
Manappuram Foundation	5.68	4.64				
Mukundapuram Educational and Cultural Society	0.07	0.03				
Rent & Other income received	**-**	**4.02**	**-**	**-**	**-**	**-**
Manappuram Foundation	-	4.02	-	-	-	-
Manappuram Agro Farms Limited		-	-	-	-	-
Reimbursement expense paid	**-**	**-**	**0.18**	**-**	**-**	**-**
Mr. V.P.Nandakumar			0.18			
Sushama Nandakumar						
Education and Training Services provided	**6.38**	**-**	**-**	**-**	**-**	**-**
Manappuram Jewellers Limited	0.69	-	-	-	-	-
Maben Nidhi Limited	2.05	-	-	-	-	-
Manappuram Asset Finance Limited	1.65	-	-	-	-	-
Manappuram Chits India Limited	0.94	-	-	-	-	-
Manappuram Agro Farms Limited	0.25	-	-	-	-	-
Manappuram Health Care Ltd	0.63	-	-	-	-	-
Manappuram Construction and Consultants Limited	0.19	-	-	-	-	-
Other Expenses paid	**1.01**	**2.51**	**-**	**-**	**-**	**-**
Manappuram Agro Farms Limited	1.01	0.92	-	-	-	-
Manappuram Construction and Consultants Limited	-	1.21	-	-	-	-
Manappuram Health Care Ltd	-	0.37	-	-	-	-
Maintenance and Repairs paid	**0.19**	**-**	**-**	**-**	**-**	**-**
Manappuram Construction and Consultants Limited	0.19	-	-	-	-	-
Commission expense on Money Transfer	**0.00**	**-**	**-**	**-**	**-**	**-**
Manappuram Asset Finance Limited	0.00	-	-	-	-	-
Staff Welfare Expenses paid	**2.61**	**-**	**-**	**-**	**-**	**-**
Manappuram Health Care Ltd	1.31	-	-	-	-	-
Adlux Medicity And Convention Centre Private Ltd	1.31	-	-	-	-	-
Manappuram Foundation	0.002					

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Construction Expenses	**46.25**	**37.73**	-	-	-	-
Manappuram Construction and Consultants Limited	46.25	37.73	-	-	-	-
Money Transfer - Principal amount paid	**0.04**	-	-	-	-	-
Manappuram Asset Finance Limited	0.04	-	-	-	-	-
Amount Paid to	**23.48**	-	-	-	-	-
Manappuram Finance Staff Welfare Fund	23.48	-	-	-	-	-
Gratuity Transferred	**1.27**	-	-	-	-	-
Manappuram Jewellers Limited	0.04					
Manappuram Foundation	1.11					
Manappuram Foundation - Mukundapuram	0.11					
Interest Income	**1.34**	**8.05**	-	-	-	-
Manappuram Asset Finance Limited	1.34	3.39	-	-	-	-
Spandana Sphoorty Financial Limited		4.66				
Receipt of Principal on account of Securitisation	**14.27**	-	-	-	-	-
Manappuram Asset Finance Limited	14.27		-	-	-	-
Investment in Pass through certificates (PTC's)	-	-	-	-	-	-
Manappuram Asset Finance Limited	-	-	-	-	-	-
Sale of Assets					-	**0.55**
Mrs Sumitha Jayshankar					-	0.55
Balance outstanding as at the year end:		-	-	-	-	-
Security Deposit	**0.99**	**0.99**	-	-	-	-
Manappuram Foundation	0.79	0.79	-	-	-	-
Manappuram Jewellers Limited	0.16	0.16	-	-	-	-
Manappuram Agro Farms Limited	0.04	0.04	-	-	-	-
Repayment of Corporate Loan	-	**125.00**	-	-	-	-
Spandana Sphoorty Financial Limited		125.00				
Investment in Pass through certificates (PTC's) Outstanding	-	**14.38**	-	-	-	-
Manappuram Asset Finance Limited	-	14.38	-	-	-	-
Amounts receivable (net) from related parties	**13.32**	**11.97**	-	-	-	-
Manappuram Construction and Consultants Limited	12.96	10.00	-	-	-	-
Manappuram Jewellers Limited	-	-	-	-	-	-
Manappuram Agro Farms Limited	-	-	-	-	-	-
Manappuram Asset Finance Limited		0.15	-	-	-	-
Mukundappuram Education and Cultural Society	0.05					
Manappuram Foundation	0.30	1.82				

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Commision Payable	**-**	**-**	**116.03**	**106.00**	**-**	**0.20**
Mr. V.P.Nandakumar	-	-	80.00	75.00	-	-
Mr.Abhijit Sen		-	5.40	4.80		
Mr.Harshan Kollara		-	4.80	2.80		
Mr.Jagdish Capoor		-	1.40	4.00		
Mr.P Manomohanan		-	2.82	2.80		
Mr.Shailesh J. Mehta		-	6.50	5.00		
Mrs.Sutapa Banerjee		-	3.50	2.80		
Mr.V.R. Ramachandran		-	3.52	2.80		
Mr.Balasubrahmanian		-	2.10	-		
Mr. Raveendra Babu			6.00	6.00		
Ms. Jyothy Prasannan					-	0.20
Performance Incentive Payable			-	**6.00**		
Mr. Raveendra Babu			-	6.00		
Amounts payable (net) to related parties	**6.62**	**8.01**	**2.00**	**-**	**0.01**	
Manappuram Health Care Limited	0.001					
Manappuram Foundation	0.16					
Manappuram Construction and Consultants Limited	3.90	6.79	-	-	-	-
Manappuram Travels	-	0.89	-	-	-	-
Manappuram Agro Farms Limited	0.32	0.33	-	-	-	-
Manappuram Finance Staff Welfare Trust	2.24					
Mr. Suhas Nandan		-	-	-	0.01	-
Ms. Bindu A.L			2.00	-		

NOTE:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

b) Loans given to related parties are repayable on demand. These loans carry interest @ 11.15%

c) The loans have been utilised by the Manappuram Home Finance Limited for lending Home Loan and meeting the working capital requirements.

d) Manappuram Home Finance Limited has used the loan for meeting the working capital requirements.

e) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 48: FAIR VALUE MEASUREMENT

48.1 VALUATION PRINCIPLES

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, 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.

48.2 VALUATION GOVERNANCE

The Group's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

48.3 ASSETS AND LIABILITIES BY FAIR VALUE HIERARCHY

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
Derivative financial instruments								
Cross Currency Swaps	-	494.49	-	494.49	-	79.25	-	92.78
Forward Rate Agreements	-		-	-	-		-	-
Total derivative financial instruments	**-**	**494.49**	**-**	**494.49**	**-**	**79.25**	**-**	**92.78**
Financial investment held for trading								
Equity Shares	0.71	-	-	0.71	0.22	-	-	0.22
Total financial investment held for trading	**0.71**	**-**	**-**	**0.71**	**0.22**	**-**	**-**	**0.22**
Total assets measured at fair value on a recurring basis	**0.71**	**494.49**	**-**	**495.20**	**0.22**	**79.25**	**-**	**93.00**
Assets measured at fair value on a non-recurring basis	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities measured at fair value on a recurring basis								
Derivative financial instruments								
Forward contracts	-	(768.27)	-	(768.27)	-	(439.03)	-	(439.03)
Total derivative financial instruments	**-**	**(768.27)**	**-**	**(768.27)**	**-**	**(439.03)**	**-**	**(439.03)**
Liabilities measured at fair value on a non-recurring basis	**-**	**(768.27)**	**-**	**(768.27)**	**-**	**(439.03)**	**-**	**(439.03)**

48.4 VALUATION TECHNIQUES

Equity instruments

Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3. The Group uses prices from prior transactions without adjustment to arrive at the fair value. Prior transaction represents the price at which same investment was sold in the deal transaction.

Cross Currency Swaps

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Interest rate derivatives

Interest rate derivatives include interest rate swaps, cross currency interest rate swaps, basis swaps and interest rate forwards (FRAs). The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Movements in Level 3 financial instruments measured at fair value

There are no Level 3 financial assets and liabilities which are recorded at fair value.

Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities.

The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Level	Carrying Value		Fair Value	
		Mar-22	Mar-21	Mar-22	Mar-21
Financial assets					
Cash and cash equivalents	2	23,707.66	25,482.10	23,707.66	25,482.10
Bank Balance other than above	2	3,265.88	3,642.08	3,265.88	3,642.08
Receivables	3	-	-	-	-
Loans	3	2,89,710.45	2,65,076.11	2,89,710.45	2,65,076.11
Investments	1	4,140.88	3,070.39	4,071.53	-
Investments	3	66.15	309.72	66.15	3,310.16
Derivative financial instruments	2	27.41	-	27.41	-
Other Financial assets	2	3,181.23	3,651.29	3,181.23	3,651.29
Other Financial assets	3	120.36	4.42	120.36	4.42
Total financial assets		**3,24,220.02**	**3,01,236.11**	**3,24,150.67**	**3,01,166.15**
Financial Liabilities					
Derivative financial instruments	2	301.19	359.78	301.19	359.78
Payables	2	1,416.50	1,242.03	1,416.50	1,242.03
Debt Securities	2	93,218.28	1,12,824.00	93,218.28	1,12,824.00
Borrowings (other than debt security)	2	1,44,767.74	1,12,142.13	1,44,767.74	1,12,142.13
Deposits	2	0.70	0.70	0.70	0.70
Subordinated Liabilities	2	3,198.04	2,195.79	3,198.04	2,195.79
Other Financial liabilities	2	2,500.85	3,281.22	2,500.85	3,281.22
Total Financial Liabilities		**2,45,403.30**	**2,32,045.65**	**2,45,403.30**	**2,32,045.65**

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Valuation methodologies of financial instruments not measured at fair value

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 financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

Fair value of Loans estimated using a discounted cash flow model on contractual cash flows using actual/estimated yields

Borrowings

The floating rate loans are fair valued on the basis of MCLR+spread. For fixed rate loans, the carrying values are a reasonable approximation of their fair value.

NOTE 49: RISK MANAGEMENT

Risk is an integral part of the Group's business and sound risk management is critical to the success. As a financial institution, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes Credit, Liquidity, Market and Operational Risks. Group's goal in risk management is to ensure that it understands measures and monitors the various risks that arise and the organization adheres strictly to the policies and procedures which are established to address these risks. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The Board of Directors of the Group are responsible for the overall risk management approach, approving risk management strategies and principles. Risk Management Committee of the Board reviews credit, operations and market risks faced by MAFIL periodically. Group has appointed a Chief Credit Officer who reports to MD & CEO and presenting risk related matters to Risk Management Committee and the Board.

The Group has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

CREDIT RISK

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group predominantly lend against gold jewellery, which are liquid securities, its credit risks are comparatively lower. Its other verticals, Micro Finance, Vehicle Finance, Micro loans etc. have significant credit risk.

Appraisal Risk: The borrowers are awarded risk grades and only eligible borrowers are financed. Besides continuous training of employees through digital media, Credit officers are imparted on the job and class room training on a continuous basis. Credit appraisal processes are being reviewed regularly by Credit Monitoring teams and credit auditors and more risk filters are added whenever necessary.

Collection risk: As the gold ornaments are liquid, collection in gold portfolio attaches minimal risks. We have developed a team of trained Relationship Managers and sales staff for continuous engagement with the borrowers under verticals like Micro Finance, Vehicle Finance, Housing loans, Micro loans etc. to ensure timely payment of their dues. Collection efficiency of verticals are being monitored closely by the Senior Management.

Concentration risk: As on 31 March 2022, our gold loan portfolio is 69% of the total AUM (Asset Under Management). Gold loans are granted against liquid securities for short period which substantially insulates from credit risk and liquidity risk. We have already diversified into Home Finance, Commercial Vehicles, Microfinance and budget to grow the new verticals so as to contain our exposure to gold to 50% of the total AUM in ten years.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Our geographical presence is largely in the southern India. We are now giving thrust for opening new branches in north and north eastern states which have high growth potentials. A geographical exposure limit will be fixed when operations of the new branches are stabilised.

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Minimize losses due to defaults or untimely payments by borrowers
- Design appropriate credit risk mitigation techniques

In order to mitigate the impact of credit risk in the future profitability, the Group makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The below discussion describes the Group's approach for assessing impairment as stated in the significant accounting policies.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations on whether Stage 2 is appropriate.

Exposure at Default (EAD)
The outstanding balance at the reporting date (adjusted for subsequent realisations in the case of Gold Loan), is considered as EAD by the Group.

The Group uses historical information where available to determine PD. Considering the different products and schemes, the Group has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past 5 years. For those pools where historical information is not available, the PD default rates as stated by external reporting agencies is considered.

Based on its review of macro-economic developments and economic outlook, the Group has assessed that there are certain adjustments on account of impact of COVID 19 are required in the form of temporary overlays (Refer Note 8). Post management overlay, the PD percentages are mentioned below:

A) MANAPPURAM FINANCE LIMITED

	Pools	31 March 2022			31 March 2021		
		Stage I	Stage II*	Stage III	Stage I	Stage II	Stage III
1)	Gold Loan - Normal Risk**	10.42%	10.42%	100.00%	12.08%	12.08%	100.00%
2)	Vehicle Loan						
	CV	5.24%	9.40%	100.00%	4.88%	8.64%	100%
	BUS	6.94%	11.71%	100.00%	1.19%	3.19%	100%
	FE	1.89%	4.96%	100.00%	4.44%	8.44%	100%
	CAR/AUTO	3.46%	8.20%	100.00%	5.10%	5.10%	100%
	TW	5.74%	7.74%	100.00%			
3)	SME Loan	7.12%	24.60%	100.00%	7.73%	27.23%	100.00%

** Excluding restructured loans, where in Vehicle loan Stage II restructured loans for CV -49% ,BUS -34% and CAR - 47% as at March 31, 2022.*

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

4) Onlending, Corporate Finance and Project and Industrial Finance Loan, external ratings or internal evaluation with a management overlay for each customer.

5) Personal Loans and other verticals, external ratings or internal evaluation with a management overlay for each customer industry segment.

*** Excludes portfolio where PD has been considered at 100%*

In case of Gold loans, incremental NPA is considered after taking into account auctions during the year since such cases are auctioned and total dues are recovered even before the account turns NPA.

B) ASIRVAD MICROFINANCE LIMITED

Pools	31 March 2022			31 March 2021		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Micro Finance Loans	1.24%	14.44%	80.00%	1.52%	35.00%	100.00%
2) SME loans				2.75%	2.75%	100.00%
3) MSME loans	0.40%	0.40%	100.00%	0.40%	0.40%	100.00%

C) MANAPPURAM HOME FINANCE LIMITED

Pools	31 March 2022			31 March 2021		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1) Construction	1.03%	7.08%	100.00%	0.88%	7.22%	100.00%
2) Ready to use House	3.12%	24.06%	100.00%	3.77%	30.65%	100.00%
3) Home Improvement	1.26%	8.51%	100.00%	3.33%	21.13%	100.00%
4) Home Extension	1.53%	10.22%	100.00%	3.85%	24.01%	100.00%
5) Balance Transfer & Top-Up	2.74%	17.65%	100.00%	2.85%	18.33%	100.00%
6) LAP	1.68%	10.55%	100.00%	2.44%	20.55%	100.00%

Loss Given Default

The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Group has assessed that significant recoveries happen in the year in which default has occurred. In estimating LGD, the Group reviews macro-economic developments taking place in the economy.

A) MANAPPURAM FINANCE LIMITED

	March 2022	March 2021
1) Gold Loan	2.21%	2.43%
2) Vehicle Loan		
CV	20.60%	46.39%
BUS	29.98%	
FE	31.16%	48.83%
CAR/AUTO	21.36%	35.40%
TW	18.68%	40.40%
3) SME Loan	19.01%	25.05%
4) Onlending	60%	60%
5) Corporate Finance	65%	65%

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

B) ASIRVAD MICROFINANCE LIMITED

		31 March 2022			31 March 2021		
		Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
1)	Micro Finance Loans	80%	80%	80%	80.45%	100.00%	100.00%
2)	SME loans	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%
3)	MSME loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

C) MANAPPURAM HOME FINANCE LIMITED

		March 2022	March 2021
1)	Construction	43.50%	25.52%
2)	Ready to use House	43.50%	25.52%
3)	Home Improvement	43.50%	25.52%
4)	Home Extension	43.50%	25.52%
5)	Balance Transfer & Top-Up	43.50%	25.52%
6)	LAP	43.50%	25.52%

LGD Rates have been computed internally based on the discounted recoveries in NPA accounts that are closed/ written off/ repossessed and upgraded during the year. LGD rates for SME, Onlending and other loans is considered based on proxy FIRB rates for secured loans.

In estimating LGD, the Group reviews macro-economic developments taking place in the economy. Based on internal evaluation, Group has provided a management overlay in LGD computed for Vehicle and SME portfolios.

The Group has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic. The impact on collateral values is also assessed for determination of adjustment to the loss given default and reasonable haircuts are applied wherever necessary. Days past due has been computed after excluding the moratorium as specified in various RBI circulars, for the aforesaid classification into Stage I, Stage II and Stage III loans.

As per the RBI guidelines , the ECL policy has been approved by Audit Committee and the Board. Modifications to the ECL model, if any, is approved by the Board. As part of the management overlays, as per the approved ECL policy, the management has adjusted the underlying PD as mentioned above and in case of corporate loan by downgrading the ratings to one level lower) and LGD as computed by ECL Model as mentioned above depending on the nature of the portfolio/borrower, the management's estimate of the future stress and risk and available market information. Refer note 8 to the financial statements.

Asset & Liability management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Group's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the group. It is necessary for Group to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Group to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and (c) the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Group.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

The scope of ALM function can be described as follows:
- Liquidity risk management
- Management of market risks
- Others

Liquidity Risk

Liquidity risk refers to the risk that the Group may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on 31 March 2022:

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months up to 6 months	Over 6 Months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Borrowings	9,388.33	5,486.82	12,435.51	16,660.15	32,765.64	15,499.38	17,296.01	35,105.65	4,974.93	2,519.56	**1,52,131.98**
Foreign Currency Term Loan	-	-	-	-	-	1,945.64	1,820.00	7,270.00	-	-	**11,035.64**
Debt Security	1.98	-	0.63	3,057.41	7,206.68	3,098.25	34,588.06	22,121.63	3,834.94	4,123.25	**78,032.83**
Subordinated Debts	0.06	1.61	3.85	0.48	-	-	-	-	-	-	**6.00**
Securitisation	-	-	-	-	-	-	-	-	-	-	**-**
Advances	4,741.64	5,287.30	14,807.93	30,288.50	62,603.55	99,502.41	27,406.23	30,616.62	6,933.36	7,522.91	**2,89,710.45**
Investments	-	-	9.94	39.93	32.86	16.60	19.99	-	3,016.10	1,071.61	**4,207.03**

Maturity pattern of assets and liabilities as on 31 March 2021:

Particulars	0 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months up to 6 months	Over 6 Months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Borrowings	648.47	1,369.24	8,137.83	1,676.81	27,529.76	14,160.37	19,016.68	32,753.70	5,998.09	402.36	**1,11,693.29**
Foreign Currency Term Loan	1.82	-	-	-	-	-	-	1,027.33	-	-	**1,029.15**
Debt Security	343.21	-	0.92	890.55	3,386.75	4,412.91	32,930.21	60,131.88	3,590.13	5,872.54	**1,11,559.10**
Subordinated Debts	2.53	0.10	4.24	3.55	0.64	6.29	24.92	1,170.69	-	982.83	**2,195.79**
Securitisation	-	42.93	264.49	154.71	114.38	108.07	-	-	-	-	**684.59**
Advances	7,328.57	9,920.68	21,397.02	42,995.53	47,209.55	66,438.22	37,435.26	26,455.84	2,203.57	4,376.43	**2,65,760.68**
Investments	-1.31	-	26.92	55.80	47.78	69.02	84.73	80.32	3,016.10	8,622.84	**3,380.11**

**Amount represents net balance after the adjustments on account of Indian Accounting Standards*

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

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 Group is exposed to two types of market risk as follows:

Foreign Exchange Risk (Forex Risk)

Forex risk is a risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the Group. Any appreciation/depreciation of the base currency or the depreciation/appreciation of the denominated currency will affect the cash flows emanating from that transaction. Group has fully hedged the forex risk by derivative instruments.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Group has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Price Risk

The Group's exposure to price risk is not material. The drop in gold prices is unlikely to have a significant impact on asset quality of the Group since the disbursement LTV is below 75% and average portfolio LTV as on the reporting period was 62% to 65% only. However the sustained decrease in market price may cause for decrease in the size of our Gold Loan Portfolio and the interest income. Management monitors the gold prices and other loans on regular basis.

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit. Risk Management Committee comprising representatives of the Senior Management, reviews matters relating to operational and business risk, including corrective and remedial actions as regards people and processes.

NOTE 50: DETAILS OF FINANCIAL ASSETS SOLD TO SECURITISATION COMPANY

MANAPPURAM FINANCE LIMITED :

	Particulars	31 March 2022	31 March 2021
(i)	No of SPVs sponsored by the NBFC for securitisation transactions	-	-
(ii)	Total amount of securitised assets as per books of the SPVs Sponsored	-	-
(iii)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet	-	-
(iv)	Amount of exposures to securitisation transactions Other than MRR as on the date of Balance sheet	-	-

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Particulars	31 March 2022	31 March 2021
Total number of loan assets securitized during the year	-	-
Book value of loan assets securitized during the year	-	-
Sale consideration received during the year	-	-
Vehicle Loans Subordinated as Credit Enhancement on Assets Derecognised	-	-
Gain / (loss) on the securitization transaction recognised in P&L	-	-
Gain / (loss) on the securitization transactions deferred	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	-	34
Quantum of Credit Enhancement as at year end	-	34
Interest spread Recognised in the Statement of Profit and Loss during the Year	-	-

ASIRVAD MICROFINANCE LIMITED

Particulars	31 March 2022	31 March 2021
(i) No of SPVs sponsored by the NBFC for securitisation transactions		
a. Through Direct assignment	22	14
b. Through PTC	-	8
Total	**22**	**22**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a. Through Direct assignment	12,125.61	8,580.16
b. Through Pass through Certificates	-	682.27
Total	**12,125.61**	**9,262.43**
(iii) 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		
a. Direct Assignment	1,473.36	-
a. Pass through Certificates	-	-
- Others		1,547.62
	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR	-	-
a) Off-balance sheet exposures	**-**	**-**
i) Exposure to own securitizations	**-**	**-**
First loss	-	-
a) Direct Assignment	-	-
b) Pass Through certificates	-	-
Loss	-	-
ii) Exposure to third party securitisations	**-**	**-**
First loss	-	-
Others	-	-
b) On-balance sheet exposures	**-**	**-**
i) Exposure to own securitisations	-	-
First loss	-	514.90
Others	-	-
ii) Exposure to third party securitisations	-	-
First loss	-	-
Others		

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

Details of Financial Assets sold to Securitisation Company

Particulars	31 March 2022	31 March 2021
Total number of loan assets securitized during the year	**-**	**17,543.00**
a. Through Direct assignment (no. of accounts)	-	17,543.00
b. Through PTC (no. of accounts)	-	-
Book value of loan assets securitized during the year	**13,598.97**	**4,444.34**
a. Through Direct assignment	13,598.97	4,444.34
b. Through PTC	-	-
Sale consideration received during the year	**12,125.61**	**4,000.00**
a. Through Direct assignment	12,125.61	4,000.00
b. Through PTC	-	-
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised	**1,473.35**	**444.36**
a. Through Direct assignment	1,473.36	444.36
b. Through PTC	-	-
Gain / (loss) on the securitization transaction recognised in P&L	**-**	**-**
a. Through Direct assignment	-	-
b. Through PTC	-	-
Gain / (loss) on the securitization transactions deferred	**-**	**-**
a. Through Direct assignment	-	-
b. Through PTC	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	**-**	**-**
a. Through Direct assignment	-	-
b. Through PTC	-	-
Quantum of Credit Enhancement as at year end	**-**	**-**
a. Through Direct assignment	-	-
b. Through PTC	-	-
Interest spread Recognised in the Statement of Profit and Loss during the Year	**1,169.72**	**71.48**
a. Through Direct assignment	1,169.72	71.48
b. Through PTC	-	-

Details of assignment transactions
Manappuram Finance Limited

Particulars	31 March 2022	31 March 2021
(i) Number of Accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold	-	-
(iii) Aggregate consideration	-	-
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

Asirvad Microfinance Limited

Particulars	31 March 2022	31 March 2021
(i) Number of Accounts	4,92,020	1,75,430
(ii) Aggregate value (net of provisions) of accounts sold	1,415	400
(iii) Aggregate consideration	1,259	400
(iv) Aggregate consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value (As Per Ind AS)	117	71

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 51: SEGMENT REPORTING

Sl. No	Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
1	**Segment revenue**		
	Gold loan and others	47,266.14	52,974.44
	Microfinance	13,997.00	10,771.80
	Total Segment revenue	61,263.14	63,746.24
2	**Segment results (Profit before tax)**		
	Gold loan and others	17,649.09	22,853.60
	Microfinance	186.14	306.80
	Total Segment results	17,835.23	23,160.40
3	**Segment assets**		
	Gold loan and others	2,69,968.73	2,55,194.47
	Microfinance	68,136.79	58,183.34
	Total Segment assets	3,38,105.52	3,13,377.81
4	**Segment liabilities**		
	Gold loan and others	1,96,844.71	1,92,202.45
	Microfinance	57,416.26	47,629.00
	Total Segment liabilities	**2,54,260.97**	**2,39,831.45**

NOTE 52: DERIVATIVES DISCLOSURES AS PER RBI

As at 31 March 2022, the Group has recognised net Market to Market (MTM) Loss of ₹ 158.18Mn (31 March 2021 ₹225.64 Mn) relating to derivative contracts entered to hedge the foreign currency risk of future interest payment on fixed rate foreign currency denominated bond and foreign currency term loan, repayment of fixed rate foreign currency denominated bond and loans designated as cash flow hedges, in Hedging Reserve Account as part of the Shareholders' funds. Refer to Note no. 19 ' Derivative Financial Instruments'.

DETAILS OF OUTSTANDING DERIVATIVE CONTRACTS AS AT THE YEAR END.

Type of Derivatives	March 31, 2022		March 31, 2021	
	No of contracts	Value (USD)/EURO	No of contracts	Value (USD)
Forward Contracts entered into hedge the currency risk of future interest payments	24	29,15,31,804	5	16,67,00,000
Cross currency with interest rate (USD)	1	1,50,00,000		
Cross currency with interest rate (EURO)	2	2,50,00,000	2	2,50,00,000
Currency Swaps	4	16,41,00,000	4	16,41,00,000

Type of Derivatives	March 31, 2022		March 31, 2021	
	No of contracts	Value ₹ In Mn	No of contracts	Value ₹ In Mn
Forward Contracts entered into hedge the currency risk of future interest payments (in USD)	24	22,095.92	5	12,260.55
Cross currency with interest rate (USD)	1	11,115		
Cross currency with interest rate (EURO)	2	21,645	2	21,645
Currency Swaps	4	12,437.62	4	11,997.35

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

DISCLOSURE REQUIRED AS PER RBI

Forward rate agreement / Interest rate swap

	Particulars	March 31, 2022	March 31, 2021
i)	The notional principal of swap agreements	15,713.62	14,161.85
ii)	The notional principal of forward rate agreements	22,095.92	12,260.55
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements.	(27.41)	(13.53)
iii)	Collateral required by the NBFC upon entering into swaps	2,088.10	2,780.00
iv)	Concentration of credit risk arising from the swap	-	-
v)	The fair value of the swap agreements	439.67	79.25
vi)	The fair value of the forward rate agreements	(768.27)	(439.03)

Disclosure required as per RBI

Exchange Traded interest rate (IR) derivatives : NIL

Disclosures on risk exposure of derivatives

Qualitative disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes forward contracts for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Finance Resource Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

	Particulars	31 March 2022		31 March 2021	
		Swaps	Forward Agreements	Swaps	Forward Agreements
i)	Derivatives (Notional principal amount)				
	For Hedging	12,437.62	25,371.92	11,997.35	14,425.05
ii)	Marked to Market Positions	-	-		
	a) Asset (+)	582.68	27.41	213.39	-
	b) Liability (-)	-	768.27	-	425.50
iii)	Credit Exposure	-	-	-	-
iv)	Unhedged Exposure	-	-	-	-

NOTE 53:DISCLOSURE AS PER AMENDED SCHEDULE III TO THE COMPANIES ACT,2013

53A: DISCLOSURE ON THE FOLLOWING MATTERS REQUIRED UNDER SCHEDULE III AS AMENDED NOT BEING OR APPLICABLE IN CASE OF THE COMPANY, SAME ARE NOT COVERED SUCH AS

a) No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Property (Prohibition) Act ,1988 (45 of 1988)and the rules made thereunder.

b) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) No registration or satisfaction of charges are pending to be filed with ROC except for few instances where delay was not beyond 30 days.

d) The Group has not entered into any scheme of arrangement.

e) There are no transactions which have not been recorded in the books.

f) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

53B: UTILISATION OF BORROWED FUNDS OR SHARE PREMIUM

(i) 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 Group 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 to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) No funds have been received by the Group from any person(s) or entity(ies),including foreign entities("Funding Parties"),with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly lend to 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.

NOTE 53C: CAPITAL WORK IN PROGRESS(CWIP)/INTANGIBLES UNDER DEVELOPMENT AGING SCHEDULE

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.16	100.87	-	-	107.03
Projects temporarily suspended	-	-	-	-	-
Intangibles under development	18.54	5.45	0	0	23.99

53D:RELATIONSHIP WITH STRUCK OFF COMPANIES

Name of struck off company	Nature of transaction with struck off company	Balance outstanding*	Relationship with struck off company if any
Bennet colomen & Co Ltd	Payable	0.15	Nil
CKON IT services pvt Ltd	Payable	-	Nil
Hunt Box Events & Entertainments pvt Ltd	Payable	-	Nil
Nutech Solutions	Payable	-	Trade Creditors

**As on reporting date(31-03-2022)*

53E: STANDARDS ISSUED BUT NOT YET EFFECTIVE

On March 24,2021,the Ministry of Corporate Affairs('MCA')through a notification, amended Schedule III of the Companies Act,2013. The amendments revise Division I,II and III of Schedule III and are applicable from April1,2021.The Company has evaluated the same for reporting.

NOTE 54: FRAUD

During the year there have been certain instances of fraud on the Group by officers and employees where gold loan related misappropriations / cash embezzlements /burglaries have occurred for amounts aggregating to ₹ 266.89 Mn (31 March 2021: ₹ 166.72 Mn) of which the Group has recovered ₹ 48.02Mn (31 March 2021: ₹ 19.74Mn). The Group has taken insurance cover for such losses and has filed insurance claims in this regard. Further, the Group is in the process of recovering these amounts from the employees and taking legal actions, where applicable. The Group has created provision aggregating to ₹ 218.87Mn (31 March 2021: ₹ 146.98 Mn) towards these losses based on its estimate.

NOTE 55: GOODWILL ON CONSOLIDATION

Goodwill on consolidation represents the excess purchase consideration paid over value of net assets of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The Management does not foresee any risk of impairment on the carrying value of goodwill as at 31 March 2022.

NOTES

to Consolidated Financial Statements for the Year ended 31st March, 2022 (All amounts are in millions, unless otherwise stated)

NOTE 56: PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

See accompanying notes forming part of the Consolidated financial statements.

As per our Report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No:105047W

Tushar Kurani
Partner
Membership No: 118580

For S K Patodia & Associates
Chartered Accountants
ICAI Firm Registration No:112723W

Sandeep Mandawewala
Partner
Membership No: 117917

Place : Mumbai
Date : May 18, 2022

For and on behalf of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

B. N. Raveendra Babu
Non Executive Director
DIN: 00043622

Bindu A.L
Chief Financial Officer

Manoj Kumar V.R
Company Secretary

Place: Mumbai
Date : May 18, 2022

NOTES

CORPORATE INFORMATION

Registered Office/Corporate Office
IV/470a (Old) W/638 (New)
Manappuram House
Valapad P.O, Thrissur - 680567, Kerala
Tel: 0487-3050100-108
E-mail: cosecretary@manappuram.com
Website: www.manappuram.com

Corporate Office (Annexe)
MANAPPURAM FINANCE LIMITED
A-Wing, 3rd Floor, Unit No 301 To 315
Kanakia Wall Street, Andheri Kurla Road
Andheri East, Mumbai,
Maharashtra - 400093
Tel: 022 266743 11

Chairman
Mr. Shailesh J Mehta

MANAGING DIRECTOR AND CEO
Mr. V P Nandakumar

Board Members
Mr. P Manomohanan
Adv. V R Ramachandran
Mr. Gautam Narayan
Mr. Abhijit Sen
Mr. Harshan Kollara
Mr. S R Balasubramanian

Chief Financial Officer
Ms. Bindhu A L

Company Secretary
Mr. Manoj Kumar V R

Registrar and Share Transfer Agents - Shares
S.K.D.C. Consultants Limited
(a Subsidiary of Link Intime India Pvt Ltd)
"Surya" 35, Mayflower Avenue, Behind
Senthil Nagar, Sowripalayam Road
Coimbatore - 641028, TN, India
Phone: +91 422 4958995, 2539835/836
Email: info@skdc-consultants.com

Registrar and Transfer Agent - Debentures
Link Intime India Private Limited
C-101, 247 Park, LBS Marg
Vikhroli (West),
Mumbai - 4000 83
Tel: + 91 22 49186000
www.linkintime.co.in

Debenture Trustees
VISTRA ITCL (India) Limited
(Formerly known as IL&FS Trust Company Limited)
The IL&FS Financial Center
Plot No C-22, G Block, 7th Floor,
Bandra - Kurla Complex Bandra (East)
Mumbai - 400051
Tel: +91 22 26593535
Fax: +91 22 26533297
E-Mail: mumbai@vistra.com

Catalyst Trusteeship
(Formerly Known as GDA Trusteeship Limited)
GDA House, Plot No 85, Bhusari Colony
Paud Road, Pune - 411 038
Tel: +91 20 25280081
Fax: +91 20 25280275
E-Mail: dt@ctltrustee.com

Statutory Auditors
(1) M S K A & Associates
Chartered Accountants
602 Floor 6, Raheja Titanium
Western Express Highway
Geetanjali, Railway Colony
Ram Nagar, Goregaon (E)
Mumbai - 400 063

(2) S K Patodia & Associates
Chartered Accountants
Choice House, Shree
Shakambari Corporate Park
Plot No 156-158, J B Nagar
Andheri (East)
Mumbai - 400 013

Secretarial Auditor
KSR and Co Company Secretaries LLP
'Indus Chambers', Ground Floor No. 101
Govt. Arts College Road
Coimbatore - 641018
Tel: 0422-2305676, 2302867

Bankers/ Financial Institutions
1 AXIS Bank
2 Federal Bank
3 HDFC Bank
4 ICICI Bank
5 IDBI Bank
6 Kotak Mahindra Bank
7 Punjab National Bank
8 South Indian Bank
9 State Bank Of India
10 Indusind Bank
11 Union Bank Of India
12 BOB (Bank Of Baroda)
13 UCO Bank
14 QNB
15 RBL Bank
16 Indian Bank
17 Dhanlaxmi Bank
18 Nabard
19 KVB - Karur Vysya Bank
20 IFC - International Finance Corporation
21 SBI Life Insurance
22 YES Bank
23 Shinhan Bank
24 HSBC Bank
25 UCO Bank
26 Bajaj Finance
27 CSB Bank
28 Canara Bank
29 Karnataka Bank

MANAPPURAM
FINANCE LIMITED
Make Life Easy

REGISTERED OFFICE
IV/470A (OLD) W/638 (NEW), MANAPPURAM HOUSE
VALAPAD PO, THRISSUR - 680 567, KERALA
CIN NO.: L65910KL1992PLC006623

www.manappuram.com

Concept, Content & Design
WYATT Prism
COMMUNICATIONS
(info@wyatt.co.in)