



“Muthoot Finance Limited 26th Annual General Meeting”

September 29, 2023



BOARD OF DIRECTORS PRESENT AT THE MEETING:

NAME	DESIGNATION
GEORGE JACOB MUTHOOT	CHAIRMAN & WHOLE TIME DIRECTOR
GEORGE ALEXANDER MUTHOOT	MANAGING DIRECTOR
ALEXANDER GEORGE	WHOLE TIME DIRECTOR
GEORGE M GEORGE	WHOLE TIME DIRECTOR
GEORGE M JACOB	WHOLE TIME DIRECTOR
GEORGE ALEXANDER (JR.)	WHOLE TIME DIRECTOR
JOSE MATHEW	INDEPENDENT DIRECTOR
V A GEORGE	INDEPENDENT DIRECTOR
JUSTICE JACOB B KOSHY	INDEPENDENT DIRECTOR
USHA SUNNY	INDEPENDENT DIRECTOR
RAVINDRA PISHARODY	INDEPENDENT DIRECTOR
ABRAHAM CHACKO	INDEPENDENT DIRECTOR
C A Mohan	INDEPENDENT DIRECTOR

Transcript of 26th Annual General Meeting of Muthoot Finance Limited

01.35

Moderator- Dear shareholders, good afternoon and a warm welcome to you all for the 26th AGM of Muthoot Finance conducted through a video conferencing facility. As a reminder for the smooth conduct of the meeting, the members will be in mute mode, and audio-video will be open when they speak at the AGM as per the pre-registration. Please note that as per the requirements, the proceedings of the Annual General Meeting will be recorded and available on the website of the Company. I now hand over the proceedings to the Chairman. Thank you, and over to you, Sir. Thank you.

George Jacob Muthoot- Good afternoon, shareholders, ladies and gentlemen. A warm welcome to all of you. Thank you for joining the 26th Annual General Meeting of Muthoot Finance. As the requisite quorum is present, I call the meeting to order. Before we start the proceedings, may I request all to stand up for a silent prayer?

02.42-02.52 Silent prayer

Thank you. May I now request our company secretary to explain the legal formalities of the meeting.

Rajesh Warriar- Good afternoon, shareholders. In compliance with the directives of the Government, this AGM is being conducted through videoconference mode. A live streaming of the meeting is also being webcast on the CDSL website. Shareholders who have joined the meeting electronically through video conferencing are being considered for the purpose of ascertaining the quorum as per the circulars issued by the Ministry of Corporate Affairs. In accordance with the Articles of Association of the Company, the notice of the meeting, along with the annual report containing financial statements, reports of the Directors, auditors and secretarial auditors, were sent to the shareholders on September 7th, 2023. A copy of the annual report was also uploaded on the website of the Company, as well as the websites of the stock exchanges. The Company has taken steps to enable members to participate and vote on all items being considered at this AGM. The resolutions mentioned in the notice convening the AGM have been put to vote through remote e-voting. There will be no proposing or seconding of the resolutions that have already been put to vote through remote e-voting. This meeting is being held through video conferencing, the requirement for proxies is not applicable. Statutory registers, as required to be maintained under the Companies Act are being made available for inspection electronically. Members who would like to inspect the registers may send a mail to cs@muthootfinance.com. Upon conclusion of the address by Chairman and Managing Director, we will open the floor for a question-and-answer session. We would like to request the shareholders to limit their speeches to three minutes and to restrict the queries pertaining to the agenda items of this AGM. During the AGM, if members face any technical issues, you may contact the helpline number provided in the notice of the AGM or on the website. Thank you. May I now request Chairman Sir to take forward the proceedings? Over to you, Sir.

George Jacob Muthoot- Thank you Rajesh. The Board of Muthoot Finance has joined this 26th Annual General Meeting. Let me introduce each board member. Myself, George Jacob Muthoot, Chairman of the Company, joining the meeting from the board room in the registered office, Kochi. Attending the meeting from the registered office along with me is Mr. George Alexander Muthoot, Managing Director. He will be speaking to you about the performance of the company. Alongside our Managing Director, joining from the registered office, is Shri George M. George, Deputy Managing Director; Shri George M. Jacob, Deputy Managing Director; Smt. Usha Sunny, Independent Director; Shri Abraham Chacko, Independent Director; Shri C. A. Mohan, Independent Director; Justice Jacob Benjamin Koshy, Independent Director. Justice Benjamin Koshy is the Chairperson of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and the CSR and Business Responsibility

Committee. Also joining the meeting from the registered office is Shri Jose Mathew, Independent Director of the Company. Shri Jose Mathew is the Chairperson of the Audit Committee, Risk Management Committee and ALM Committee. Welcome you all to the meeting. Shri V. A. George, Independent Director of the Company, is joining the meeting from his residence in Mahendra World City in Chennai. Welcome Shri V. A. George. Shri Ravindra Pisharody, an Independent Director of the Company, is joining the meeting from his home office in Mumbai. Welcome Shri Ravindra Pisharody. Shri George Alexander Jr., Deputy Managing Director of the Company, is joining the meeting from his office in Bangalore. Welcome Shri George Alexander Jr. Joining from our Corporate Office in north in New Delhi is Shri Alexander George Muthoot, Joint Managing Director. Welcome, Shri Alexander George Muthoot. Shri Eapen Alexander, Executive Director, has joined the meeting from his office in Dubai. Welcome, Shri Eapen Alexander. Shri George Thomas Muthoot, Joint Managing Director, expressed his inability to attend the meeting and has requested a leave of absence from the meeting. We also have Shri Thompson Thomas, Partner, Elias George & Company and Shri Babu Abraham Kallivayalil, Partner, Babu A. Kallivayalil and Company. The joint statutory auditors are joining the meeting through video conferencing. Welcome, Shri Thompson and Shri Babu Kallivayalil. We also have Shri C V Madhusudhanan, Partner, KSR and Company, Secretarial auditors joining the meeting through the video conference; Shri C V Madhusudhanan is also acting as the scrutinizer for the e-voting process. Welcome, Shri C V Madhusudhanan. This will be the last AGM that Justice Jacob Benjamin Koshy Sir is attending for the time being as his term of office as Independent Director on the Board of Muthoot Finance is expiring at this AGM. On behalf of the entire board, let me take this opportunity to express our gratitude to Justice Jacob Benjamin Koshy, Sir, for the support and guidance provided to us during his term as Independent Director. Your wisdom and experience have been a major source of guidance and support for all of us. We have been fortunate to have you on our board. Thank you for all the support, Sir. As a token of our gratitude, we would like to felicitate Justice Jacob Benjamin Koshy Sir.

10.11-11.00 Felicitation ceremony

Notice of this meeting, along with the annual report containing the financial statement, auditor's report and Directors' reports were sent to all the members by electronic means. With your kind permission, ladies and gentlemen, I take the same as read. Joint statutory auditors and secretarial auditors have issued unqualified audit reports for the financial year 2022-2023. Now, let me take this opportunity to address the shareholders.

Dear shareholders, I am delighted to welcome you all to the 26th Annual General Meeting of our Company. It gives me immense pleasure to inform you that this was yet another year where we demonstrated resilience amid industry headwinds. As you have observed over the years, we have been consistent and committed in our efforts to foster financial inclusion in the country. Despite the challenges of the seemingly low and slow year, we achieved a remarkable performance in the last quarter, demonstrating our undeterred focus irrespective of external developments. Before I go into the details of how we performed, let me share an overview of the economic context that affects our business. The financial year open and mixed note. On the positive side, it was the year when the world recovered from the impact of the COVID-19 pandemic. The year was marked by renewed energy and optimism. On the flip side of the impact of inflationary trends, supply chain disruption, emanating from China and the start of the Russia-Ukraine conflict affecting commodity prices. Despite these critical challenges, India has shown remarkable resilience in the global economy, which was affected by the slowdown. India achieved a robust real GDP growth of 7.2% in the financial year 2023. The Government has proactively supported the economy by investing in infrastructure, encouraging private investment, and aiming for self-sufficiency, which has positioned the economy for sustained progress. India has emerged as the 5th largest economy and the fastest-growing major economy in the world. I have a strong conviction that it will sustain this growth path in the future as well. The NBFC market has been growing positively in the last few years, with high credit growth, increased margins, improved profitability, and better asset quality. Our focus on

the gold loan business is based on India's profound affinity for gold. Gold has been and still is a sign of wealth and prosperity in Indian culture, especially for the rural people. This has been the trend for many decades, which is not so surprising given the value of gold in society. Gold remains a reliable asset in times of inflation and global conflicts, it will keep its status as a safe haven in the near future as well. Amid the rising banking crisis in the US and Europe, investors sought refuge in safe-haven assets like gold resulting in surging gold prices, consequently boosting the demand for gold loans and resulting in increased business for the gold loan industry. Let me emphasize that though customers now qualify for larger loan amounts per gram of gold, the demand for gold loans is not solely influenced by gold price. The current uptick in demand is also fuelled by economic revival, highlighting that the need-based nature of gold loans plays a significant role. Besides this, there has been a tectonic shift in the narrative that the younger populace is not inclined towards gold loans. We have observed an increase in demand from youngsters, with a spike of more than 50% year over year. Youngsters are now giving more preferences to experience or material possessions. These bode well for us and validate our belief that gold loan demand is still here for the long run. By reaching out to people from different backgrounds and walks of lives using our various marketing initiatives, we have shown that Muthoot Finance is a reliable and trustworthy partner for their financial needs. This has helped us to break the negative stereotypes around gold loans and unlock the potential for their unused gold jewellery assets. We aim to make financial inclusion for everyone, especially those who are often left out or neglected. We rely on strong IT infrastructure that ensures our systems are secure, scalable and stable, which supports our inclusion goal. Our goal is to constantly innovate and offer a variety of products and services that delight our customers and give them a smooth and unparalleled experience.

Moving on to the performance of the company. We faced some setbacks at the beginning of the year, but we bounced back and ended the year with remarkable achievements. During the year, we recorded revenue of ₹10,544 crores, a marginal decline of 5% over the previous year. Our Profit after Tax also declined by 12% to ₹3474 crores. However, our gross assets under management increased to ₹63,210 crores compared to ₹58,053 crores, an increase of 9% over the previous year. The highlight of the year was the rebound in the fourth quarter. We achieved a record-breaking milestone with our highest-ever quarterly gold loan disbursement of ₹51,800 crores. Furthermore, we witnessed an all-time high gold loan growth of ₹5000 crores during the fourth quarter, a remarkable achievement. Additionally, our interest collection for the quarter reached an all-time high, totalling ₹2700 crores, surpassing any previous quarter's performance. The rebound in performance could be attributed to our ability to stay focused on our goals, alongside dedicated marketing efforts like launching our gold loan mela campaign and roping in Smt. Madhuri Dixit Ji to enhance our brand recall. As far as the consolidated performance of Muthoot Finance and its subsidiaries are concerned, Profit after Tax for financial year 2023 stood at ₹3670 crores and the consolidated loan AUM grew 11% from consolidated loan AUM ₹64,494 crores to reach ₹71,497 crores. Managing Director Shri George Alexander Muthoot will speak in-depth on the financial and operational performance of the Company during the previous year. As in the previous years, our Company continues to be a consistent dividend-paying Company. We announced an interim dividend equivalent to ₹22 per equity share with a total payout of ₹883 crores.

We are committed to doing business in the most responsible way possible and creating a positive impact for all our stakeholders. Our focus on adopting the best ESG practices is a testament to our employees form the core of our success at Muthoot, and we place great emphasis on fostering a culture of respect and collaboration. As a result, we have been awarded the Great Place to Work certification for the second year in a row. CSR is not just a legal requirement for us but a core part of our business and values for years. We have been working for the upliftment of marginalized communities, and this focus continues, even today and will be so for the foreseeable future. During the year, we had spent a total of ₹96 crores towards our CSR activities, way above the statutory obligation. One of the significant milestones during the year was the completion and handover of 200 houses through our

rehabilitation initiative, Muthoot Ashiana. We have committed more than ₹100 crores for the coming financial year with the primary focus on initiatives in the domains of environment, health care, and education. Our goal is to address poverty and elevate the socio-economic status of marginalized communities. I truly believe that the year under review just validated something that we always knew: our ability, grit and determination to stay focused on our goals. I, on behalf of the Board of Directors, would like to take this opportunity to thank each and everyone associated with us for their constant and unwavering support. Our vision is to achieve financial inclusion in the country, and we will continue to ensure that we are able to widen our horizons and continue fulfilling the aspirations of the people of this great nation. Thank you, ladies and gentlemen, for your time and attention. Jai Hind. Now, let me invite Shri George Alexander Muthoot, Managing Director, to address the shareholders.

George Alexander Muthoot- Thank you, Chairman. Dear fellow shareholders. Good evening to you all. I am delighted to be here with you all for the 26th Annual General Meeting and would like to give you a brief presentation of the financial and operational performance of your Company. Despite the slowdown in the first three quarters, we ended the final quarter on a high note with record disbursements, aided by the pickup in economic activity and increased demand for gold loans. We launched new lending products like small business loans and micro personal loans on the back of new investments in digital analytical capabilities. Looking ahead, we intend to build on the momentum created in Q4 by maintaining a heightened focus on customer service and attractive product propositions to deliver a sustainable, calibrated growth. Gold loans are a great option both in terms of price and drop in economic activity. As the economic growth and overall demand have picked up, we will ride the way to make full use of the opportunities and keep innovating further. Our gross loan assets stood at ₹63,210 crores as compared to ₹58,000 crore last year, registering a growth of 9% year on year. Out of this, gold loan assets stood at ₹61,875 crores as compared to ₹57,000 crores last year, registering a growth of 8%. Our Profit after Tax stood at ₹3474 crore as against ₹3954 crore in the last financial year. Your Company's net worth reached ₹21,062 crore, and earnings per share stood at ₹86.54 as of 31st March, respectively. The capital adequacy ratio as of March 31st stood at 31.77%, which is well above the regulatory minimum of 15%. Out of the above, the cap on capital adequacy stood at 31%, and the cap to capital stood at 0.76%. Your Company remitted to the exchequer ₹1319 crores as taxes during the year. We feel these numbers are indicative of our strong financial position, which we intend to capitalize on and deliver sustainable growth in the coming years. Regarding business activities of subsidiaries, the Company intends to scale up its non-gold loan business through subsidiaries. However, in a calibrated manner. During the year under review, consolidated assets under management increased to ₹71,497 crores which is up by 11% year on year. The consolidated total income stood at ₹11,975 crores, and the consolidated Profit after Tax stood at ₹8670 crores. Looking into the standalone performance of subsidiaries, Muthoot Home Finance India Limited, the wholly owned subsidiary loan [28.05](#) stood at ₹1438 crores. The total revenue for the financial year stood at ₹155 crores. Profit after Tax increased to ₹10 crores as against ₹8 crores in the previous year. Belstar Microfinance Limited is an RBI-registered microfinance NBFC and a subsidiary of the Company, where Muthoot Finance holds a 56.9% stake. The loan portfolio for the financial year 2023 stood at ₹6193 crores as against ₹4366 crores in the previous year, again an increase of 42% year on year, and the Profit after Tax increased to ₹130 crores as against ₹45 crores in the previous year. Asia Asset Finance is a subsidiary based in Sri Lanka, where Muthoot Finance holds a 72.9% stake. Loan portfolio growth to Sri Lankan rupees 2120 crores during the financial year as against Sri Lankan rupees 1735 crores previously, again an increase of 22% year on year. Total Revenue also increased to Sri Lankan rupees 601 crores as against Sri Lankan rupees 318 crores during the previous year, and the Profit after Tax increased to Sri Lankan rupees 30 crores as against Sri Lankan rupees 12 crores in the previous year. Muthoot Money Limited became a wholly owned subsidiary of Muthoot Finance in October 2018. Muthoot Money Limited, or MML, is a registered NBFC engaged mainly in extending loans for commercial vehicles, equipment and gold loans. The loan portfolio for financial year 2023 increased to ₹387 crores as against ₹207crores and the total revenue

grew by 24% to ₹56 crores. Profit after Tax increased ₹0.24 crores from a loss of ₹7 crores in the previous year, which is mainly due to new branch openings during the year. Muthoot Insurance Brokers Private Limited, an IRDA registered direct broker insurance product as a wholly owned subsidiary Company, generates a total premium collection amounting to ₹651 crores as against ₹471 crores in the previous year and the Profits after Tax increased to ₹46 crores as against ₹28 crores last year. Muthoot Asset Management Private Limited, a wholly-owned subsidiary, generated a Profit after Tax of ₹4.65 crores. Muthoot Trustee Private Limited, a wholly-owned subsidiary, generated a Profit after Tax of ₹2.72 lakhs.

Now, coming to resource mobilization, first, the non-convertible debentures, your Company raised ₹1323 crores by public issue of non-convertible debentures during the year. Further, the Company also raised ₹3396 crores through private placement of NCDs during the financial year. Bank finance remains an important source of funding for your company, Commercial banks continue their support to your Company during the year also. As of 31st March 2023, borrowing from banks stood at ₹29,249 crores. External commercial borrowings, your Company had an outstanding serial note 4.4% US\$ 550 million issued in March 2020, which was for a period of 3.5 years. These notes are listed in the international securities market of the London Stock Exchange. As of date, this has been fully repaid. Credit rating, your Company has a long-term rating of ICRA AA+ (Stable) and CRISIL AA+ Stable from CRISIL Limited. Further, the company's short-term rating stood at ICRA A1+ and from CRISIL again at A1+. Your Company also has international credit ratings from three international rating agencies, which stood at BB with a Stable outlook from Fitch Rating and BB with a Stable outlook from Standard and Poor Global Ratings and BA2 with a Stable outlook from Moody's Investors Service.

Technology adoption, utmost care is given to ensure our customers' transactions are smooth and easy. Increased investments in data analytics and other digital initiatives have helped us to improve our credit assessment, risk management, customer experience, business efficiencies, and also ease of operation as we look to tap opportunities to the new frontiers in the lending space.

Marketing and Promotion initiatives, our services are communicated powerfully and memorably through our marketing and branding efforts, thereby, enhancing brand recall. A few of the notable marketing initiatives undertaken by the Company during the financial year 2022-2023 include the marketing campaign titled "*Kholio Khushiyan ki tijori*" having its core message, the advantages with Muthoot Finance Gold Loan, portraying it as a key to unlocking happiness in life. Anchored by our brand ambassador for five years, Amitabh Bachchan, who is present in all of the films, it highlights Muthoot Finance gold loan's unique differentiators. Gold Milligram Rewards Program: we launched a groundbreaking initiative called Milligram Rewards, which is the first of its kind in the industry. Through this unique initiative, customers can receive guaranteed 24 karat gold for every product purchase, each financial transaction conducted with us, and even for successfully referring or introducing new customers to us. "Put your gold to work" Goldman's Campaign. The campaign highlighted the effective utilization of idle gold at home and the versatility of gold loans. Employing a humorous approach, we cast prominent South Indian comic figures to portray Goldman in Malayalam, Telugu, Kannada and Tamil versions. I take this opportunity to appreciate the dedicated work in this field of marketing etc., done by the Joint Managing Director, Shri Alexander George and also the Deputy Managing Director, Shri George M. Jacob.

Our values are our employees. Muthoot values its employees' happiness and promotes a positive work culture. We actively encourage our employees to take up managerial roles internally through a fast-track advancement system. Our approach prioritizes the offering growth prospects to employees who display potential and the necessary behavioural skills for tackling fresh challenges. Your company is also certified as a Great Place to Work for the second year in a row by the Great Place to Work Institute, reflecting the continuing employee satisfaction and engagement.

Our corporate social responsibility, we truly believe that our success as a company is interlinked with the impact that we have on creating a positive impact in the lives of the communities. We spent around ₹96.4 crores, which is way above the statutory obligation of CSR activities during the financial year 2023. We also touched around ₹5.5 lakh beneficiaries all over the country with a focus on education, health care, distress relief measures, environment, sports, sustainable livelihood and societal development. I will be failing in recognition of our concerted focus in the area, your Company was honoured with the CSR Journal Excellence Award 2022 for the cup of Life Project in the Innovation and Corporate Leadership Healthcare category. I will be failing in my duties if I do not acknowledge the great leadership and ideas given by the Deputy Managing Director, Shri George M. George, and also the Independent Director, Shri Justice Benjamin Koshy and the other Directors on the Board, Mr. Jose Matthew and Ms. Usha. We thank the company stakeholders, including the investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees, well-wishers and above all, the employees of the Company for their continued support during the year. Jai Hind.

George Jacob Muthoot- Thank you, M.D. I now request those members who have registered as speaker shareholders to ask their questions one by one. May I now request the moderator to call out the names of the registered speaker shareholders.

Moderator- Thank you very much, sir. We will now begin the question-answer session. So, ladies and gentlemen, we will wait for a moment while the question queue assembles. So, we have four speaker shareholders who are registered as a speaker shareholder. I now invite the first speaker shareholder, Mr. Rishikesh Chopra. Mr. Rishikesh, please proceed with your questions.

Rishikesh Chopra- I am a retired senior citizen from Delhi NCR Kaushambi, Ghaziabad and have invested my family funds in your company. Your office branch, Muthoot Finance is very near to my residence. I usually go to your branch and chat with the staff. I thank the Company Secretary for giving me the opportunity to speak at this AGM by registering me as a speaker shareholder and sending me the link. As understood, the Company Muthoot Finance is an NBFC engaged in providing gold loans. The company is predominantly operating in South India, The geographical distribution is 49% outstanding of the gold loans are sourced from South India, 23% from North India and 19% from West India whereas 9% from East India. I congratulate the management for the outstanding CSR activities which you have spoken about just now. I really appreciate them as most of my queries have already been covered by the Chairman, MD and management in their opening speech. I will limit my queries to a few. Though the Company has been maintaining a healthy dividend of payout of 22%, the dividend yield of ₹1.75 is lower than Shriram Finance Limited. The company has delivered poor sales growth over the past few years. Is the company capitalizing interest cost? Please clarify. How many complaints were received from SEBI, and status of resolving the same? What is the whistleblower policy of the company? Is there any scheme for any discounts to the shareholders at your outlets? Last but not the least I wish the management and all executives, the entire workforce and my co-shareholder speakers happy upcoming festivals, Dussehra, Diwali, New Year, Christmas, and pray to God for all prosperity in Muthoot Finance. Thank you very much sir.

Moderator- Thank you Sir. Next speaker, Mr. Praful Chawda. Mr. Praful, you are unmuted. You can just start your video and post your question.

42.31

Praful Chawda- Chairman sir, Board of Directors, *mere saathi shareholders, first speaker shareholder ne bahut achi baat boli aur main uski baat se sehmata bhi hoon ki aapki koi bhi branch mein jayenge toh aapke branch ka ek-ek staff ka aadmi customer ko welcome toh karega par saath saath mein customer wapis nahi jana, khush ho ke jana, business karke jana waisa soch ke kaam karte hain aur islie aaj apna business bahut bahut upar gaya hain. Humko*

dividend bhi mila hain, jo bhi hain sir main dekhta hoon na ki employee's ka acha vyavar, achi baat se hi hota hain. Aapka interest rate kam hain iske hisaab se hota hain, aapka business acha hain, iske hisaab se hota hai par aap aisa kaise maante hain ki Amitabh Bachchan ko rakhne se business aata hain? Sir aap survey karviye Amitabh Bachchan dekhkar kitne customer aa rahe hain? 100 mein se ek aadmi bhi Amitabh Bachchan ko dekhar ni aata, 1% bhi nahi aata. Aap Amitabh Bachchan kya kisika bhi photo laga do world mein saare film stars ko laga do toh bhi nahi aata sir. Aapka service acha hain, aapka har cheez achi hain, islie aata hain toh iske piche aap crores rupaiya kyu kharcha karte ho? Aur iski publicity aap aapki nahi karte ho, aap uski Amitabh Bachchan ki karte ho. Aapka standboard dekhe toh aapka naam chota dikhega, aapka kuch bhi business chota dikhega. usko badha badha banake batate. Toh mera toh manna hain ki Amitabh Bachchan aapko paisa deta hoga ki meri publicity karo, aap isko paise dete hain ya wo aap logo ko dete hain? wahi meko samajh mein nahi aata. Aapki publicity hoti hain ya Amitabh Bachchan ki hoti hain? toh ye sab sochne ki baatein hain. Jo bhi businessman hain, aap khud aaiye na sir, aap khud aake bolo ki hum company main aisa aisa karte hain toh poora trust baithega ki ye company ka Chairman bol rahe hai ya ye company ka Director bol rahe hain ki company main achi service milegi. Interest se paise milega aur kam interest lagega, aisa karo sir, isme paisa barbaad mat karo. Dhanyavad sir.

Moderator- Our next speaker, Mr. Jaideep Bakshi. Mr. Jaideep, you are unmuted. You can just start your video and proceed with your question.

Jaideep Bakshi- Good evening, Chairman and Board of Directors, myself Jaideep Bakshi connecting from the city of Kolkata. Sir, in the initial speech, you well explained about our company's position and how do you plan to move forward and what is our growth trajectory also, we have set up a good set of numbers, credit goes to all involved regarding this. And sir, how are we planning against the unorganized sector and how do we plan to move into the unrepresented area? And just want to know, what is our future growth plan in the sustainable growth plan, so that we can move forward smoothly? And one request, sir last year, it was the 25th year we had participated, kindly look to it, consider something for the speakers at least. And the festive greetings to all present in today's video conference.

Moderator- Thank you, sir. And that was the last speaker, over to you Chairman sir for the further proceedings.

George Jacob Muthoot- May I request Mr. Alexander George, Joint Managing Director to address the shareholders? Before that, I take this opportunity to thank the shareholders for your active participation in the AGM. I will now request Managing Director to respond the queries first.

George Alexander Muthoot- Thank you, Chairman. We had a good set of speakers; they have given us very valuable suggestions and thanks to all of them for the good compliments they have given to us. We really appreciate that, and we will do our best to live up to your expectation. Mr. Rishi has asked us question why the dividend payout is very small, we have paid out ₹884 crore as dividend last year, I think we are seeing or good growth prospects in the company and it is better to retain more in the company in the coming years because for NBFC, it's always wise to have more own capital in the company. That is why we have been consistent in dividends, we have increased our dividend also from 2020 to 2022, etc. So, we have been consistently paying dividends. And I think keeping more money in the company as an NBFC will help us in the future. Regarding SEBI complaints, we have not received any SEBI complaint, there have not been any complaints from SEBI. you also wanted to know about the whistleblower policy, we have a very effective whistleblower policy, which is communicated and reminded to all the staff periodically and certainly, we get quite a few whistleblower comments, and it is certainly acted upon. We have a vigilance department, we have Chief Vigilance Officer, they are all retired police officers, we have a vigilance department with more than 40 retired police officers based all over the regions in the company. And we address all these things and if there are any issues, we take it up through them or through the audit department. This always helped us, and it is definitely an effective mechanism for

Muthoot Finance and the whistleblower complaints are also discussed at the board meetings every quarter. Your last question was about giving any discounts to shareholders. I wouldn't like to answer anything of that, but I think the biggest thing we do have to our shareholders is to protect their money and also to pay them decent dividends. I think we have achieved that to a great extent. You were also asking about the dividend yield; the dividend yield is 1.4%. I think that is definitely a good one and the next question was whether the interest cost is capitalized? No, we don't capitalize the interest cost. So, I think that was about Rishi Chopra. Praful Chawda, thank you very much for your valuable comments. Regarding appointment of budget, this is the 5th year we have appointed Mr. Bachchan. In the company, we feel that it has definitely helped us, of course, people have different views. I think the next speaker, Mr. Alexander M George, Joint Managing Director in Delhi may be able to tell you something more about Bachchan and his contribution and how we have benefited from the association with Bachchan. Please be rest assured that if we feel at any point, that association with Bachchan or any other celebrity is not in the interest of the company or not useful for the company, we will be the first person to stop. Regarding Mr. Bakshi from Kolkata, thank you, we have quite a few branches in the eastern and eastern area branches definitely do well, and we are for your information, doing quite a lot of CSR activities in Kolkata area also, that's for your information. And you wanted to know how we are dealing with unorganized sector, the unorganized sector is definitely there, it can't be shipped away, they do all sorts of lending, etc, to the public. And when we open a branch in any rural or even suburbs of the city, quite a few of the people who are earlier served by the unorganized sector come to us. So, it is certainly a benefit for those people that they can come to the organized sector for the loans, and we don't have to do any fight with them but the customers going into the unorganized sector will gradually come to us and that is an ongoing process. You also wanted to know about the future growth plans of the company, so we have been talking to the investors every quarter also, they also want to know what the future growth prospects of the company. We have given a guidance of 15% growth in the asset under management. We have been able to do that every year, except last year, it was only 9%. Otherwise, we are consistently doing 15% to 20%, this year also we expect to do 15% or more AUM growth in the coming years. So, I think if again, thank you all for participating. Thank you, shareholders for your questions and your valuable suggestions and your appreciation for our work. We will continue to do better and give more rewards to all our shareholders. Thank you. Over to you Chairman?

George Jacob Muthoot- Thank you, MD. I hope MD has cleared all the query's answer. May I now request Mr. Alexander George, Joint Managing Director to address the shareholders.

Alexander M George- Respected Board members and all shareholders, a very good evening to all of you. Chairman sir and MD sir have already covered most of the highlights of the company, but I would look just like to reiterate some of the business performance highlights before I go into the rest of my presentation. As you all know, the consolidated loan under management grew 11% year-on-year from ₹64,494 crores in financial year 2022 to reach ₹71,497 crores in financial year 2023. The standalone loan asset under management of Muthoot Finance grew by 9% year-on-year from ₹58,053 crores in financial year 2022 to ₹63,210 crores in financial year 2023. We posted a consolidated Profit after Tax of ₹3670 crores. We recorded the highest ever quarterly gold loan disbursement in quarter four in financial year 2022-2023 with ₹51,850 crores. We also recorded an all-time high gold on growth in any quarter four in financial year 2022-2023 of ₹5051 crores. We also recorded our highest all time high interest collection in any quarter four which is ₹2677 crores. As you all know, we also had a five public issue of non-convertible debentures, raising over ₹1333 crores and very recently we had our 32nd NCD series and all shareholders will be very happy to note that we got oversubscribed in the very first day itself showing the trust and the confidence of all the customers in our secured NCD series. In terms of our branch expansion network, as you all know total number of branches of the Muthoot Group as on 31st March 2023 rose to 5858, with over 259 branches being added during the financial year. As part of our overseas branch expansion, we also opened 16 new branches in Sri Lanka under our subsidiary Asia

Asset Finance, taking the total branch network to 75 as on 31st March 2023. Furthermore, Muthoot Finance has already received RBI approval for opening another 150 new branches. Some of the key transformation initiatives, particularly speaking of marketing transformation, in financial year 2022-2023, we had launched *Sunheri Soch* Season-2, a mega testimonial marketing campaign with five truly inspiring success stories of a real life Muthoot Finance gold loan customers narrated in the voice of Mrs. Madhuri Dixit. This campaign was a such a resounding success, that we generated over ₹720 crores of gold loan business and canvassed over 2300+ new success stories of our very own customers who have been dealing with us across our network. Encouraged by the resounding success, we engaged Mrs. Madhuri Dixit as a brand ambassador on first of February 2023, in addition to legendary Shri Amitabh Bachchan Ji. In August 2023, we launched our new marketing campaign with Madhuri Dixit Ji *Bharosa India Ka*, a unique jingle based TVC for promoting not only our gold loan offerings, but also home loan, personal loan and vehicle loan products, thereby continuing our journey to transform Muthoot Finance into a true financial supermarket. The campaign has canvassed gold loans disbursements of over ₹3400+ crores, converting over 5,16,000 marketing leads during this campaign. Last financial year, we also launched our multimedia marketing campaign *Kholiye Khushiyo ki Tijori* with Shri Amitabh Bachchan Ji which canvassed gold loan asset under management of over ₹12,096 crores from over 15, 80,000 leads converted over a six-month duration. We also launched a successful Goldman campaign championing the idea of 'putting your gold to work' for our southern markets, which was extremely well received too. Besides we also launched tailor made campaigns to promote our gold loan at home service, a unique doorstep offering that gives the customers the convenience of availing gold loan from the comfort of their home. Speaking of some key initiatives for our customer centric initiatives, last financial year, we also launched a unique and first of its kind, a loyalty program called Muthoot Finance Gold Milligram Rewards under which customers can earn assured 24 karat gold on doing various transactions with us. We have also scaled up our Muthoot Finance loan at home vertical in a big way pan India, leveraging our existing branch network, we launched our new business loan vertical with an objective to cross sell this important product to a large customer database. Furthermore, leveraging our existing customer base and to position ourselves as a one stop financial service provider, we are also offering a pre-approved personal loan called Insta PL to eligible customers. With regard to our corporate social responsibility initiatives, I am very happy to announce that as a very socially responsible company Muthoot Finance fulfilled its CSR commitment by investing over 101% of its CSR budget during financial year 2022-2023. The company is spent and invested a total of ₹2096 crores, which is ₹69 lakhs more than statutory CSR budget for 2022-2023. Going forward, we will be increasing our CSR efforts with greater emphasis on environment, health, education and elevating poverty and uplifting the financially deprived sections of society. Interestingly, recently, one of our many CSR initiatives, Cup of life entered the Guinness World Book of Records, wherein we distributed ₹1lakh free menstrual cups across 126 venues in a single day within 24 hours, the program aimed at eradicating menstrual taboos and spreading menstrual awareness in society. I would also like to mention some of the key awards and accolades that our organization has won during this financial year. I am very happy to announce that Muthoot Finance was awarded India's number one most trusted financial services brand 2023 [01.01.10](#) brand trust report for the [01.01.12-01.01.25](#) climbed the ladder of progress by unlocking the true potential of their emotional currency. We are also happy to share with you that in the last financial year, Muthoot Finance was certified as a Great Place to Work by the Great Place to Work Institute for the second year in a row in December 2022. Recently, Muthoot Finance also won the Best Family Business Award in the Giga category at Moneycontrol India Family Business Awards 2022. Last month, Muthoot Finance also bagged the Most Influential NBFC of the Year at the 15th NBFC FinTech awards 2023 organized by B2B Info media. Muthoot Finance was also awarded the Best growth Performance Financial services award in the 22nd edition of India's top 500 companies 2022 by Dun and Bradstreet. Muthoot Finance also bagged the NBFC of the Year Award at the Dhanam BFSI summit at award night 2023. The award was bestowed for the exemplary business growth achieved by Muthoot finance in the financial year ended on March 31st, 2022. Our prestigious integrated

marketing campaigns, *Sunehri Soch* won two golds at the Exchange for Media's Golden Mike's award 2022 for the best use of branded content and the best use of radio. Furthermore, our gold loan is good marketing campaign was also awarded at the 8th edition of Exchange for Media's Indian marketing Awards for best use of TV. Recently Muthoot Finance triumphed at the e4M Indian Marketing Awards South 2023, clinching three prestigious awards for our Goldman campaign. In the field of CSR, among many others, we won the prestigious Golden Peacock award for CSR financial year 2022 by the Institute of Directors in June 2022 and the 9th National CSR times awards 2022 for our flagship CSR project called Muthoot Ashiana. So that is summarizing some of the key highlights and also I am very happy to announce that we have continued our security transformation project securing all our branch networks with a 7 tiered security system, which has safeguarded emotional assets of all our customers very carefully with a very full proof, highly secured environment that we have created not only for our customers, but for all the gold that has been deposited with us in our strong rooms, and also creating a very safe environment for all our staff members. Our digital transformation continues with various state-of-the-art, best in class mobile applications, artificial intelligence enabled chatbots websites are very up new age technologies with machine learning, data analytics capabilities. So, we have continued to invest in various security transformation, digital transformation, business transformation and marketing transformation initiatives for greater sustainable growth trajectory for our organization. So that is in some in substance, the entire performance highlights for Muthoot Finance. But I did hear a few questions from the some of the shareholders and especially with regards to our marketing initiatives. Let me assure all our shareholders that every marketing money spent, or marketing invested by Muthoot Finance is closely tracked in a state-of-the-art CRM system, a customer relationship management system, wherein we Track the return on investment of all the marketing campaigns that we do across the board, across regions, across branches to the minutest amount that we spent across ATL campaigns and BTL campaigns. And I am very happy to announce that all the statistics that I just told you about the performance of such campaigns, wherein I did highlight the *Bharosa India Ka* campaign, which was recently launched, canvassed over ₹3400+ crores, converting over 5,16,000 marketing leads during this campaign and our *Khushiyan Ki Tijori* campaign with Amitabh Bachchan Ji canvassed a gold loan AUM of ₹12,096 crores with 15,80,000 leads converted over a six month duration. These statistics that I am sharing with you are being tracked on our state-of-the-art customer relationship management module and we are able to track the return on our investments through such technology interventions. And so, we are very careful in the kind of money that we spend across branches to ensure that we get the return on investments. And I am very happy to announce that both our brand ambassadors Shri Amitabh Bachchan Ji and Madhuri Dixit Ji has opened up the category with opening up the whole segment of gold financing business across the network and help our organization bring the unorganized sector into the organized sector and bring through financial inclusion in the nation through our widespread branch network. And you will also be happy to know that 65% of our branch network are in the semi-urban and rural areas of this country, wherein we truly provide financial inclusion, giving our customers specially in the unorganized sector, much better value proposition, a much better and secure environment where their gold is deposited, and giving them very low interest rates, which they are probably not getting in the unorganized sector. So, we have truly opened up the market and we continue to invest in our branch network to expand in newer geographies, newer areas to bring more and more people from the unorganized sector into the organized sector, which was a question I think Mr. Jaideep Bakshi had asked what are we doing for the unorganized sector, so our continued focus on branch expansion, and various marketing initiatives to bring greater visibility to the category of gold loan and gold financing business continues to happen. And Mr. Praful Chawda, your question regarding the marketing initiatives, please be rest assured that all the marketing investments being made are being closely tracked, closely monitored, and if we are ensuring that every penny that we invest, there is a great return on that investment, through business impact, and through growth trajectory that we as an organization are doing. With regard to all the whistleblower policies and other things, as you all know, we have put our own family name towards in this company,

which is Muthoot, and we very carefully safeguard that interest with a great vigilance team on board and a very strong internal audit team of almost 1200 internal auditors who are going across the network to ensure the corporate governance standards are maintained. And we encourage whistleblower policies across our network almost every single day to find out if there is any issue in any branch and we very quickly address any kind of issues that could probably emanate in any branch in a quick turnaround time. So please be rest assured that the corporate governance standard is very important to the management. And we take very focused steps to ensure that we safeguard the interests of all our customers, our shareholders and our stakeholders. So that is some inputs to all the answers to the queries that the shareholders raised. I hope I have been able to answer those to the best of my ability, but we continue to remain focused in product innovations, expanding our product categories, not only in gold financing, but other verticals of personal loans, home Loans, vehicle loans, business loans, and truly make Muthoot Finance, a super financial conglomerate going forward. And we are investing in a lot of innovations in best in class practices to ensure the cross sell ratio of our 2.5 lakh customers coming to us every single day is increased day by day to almost three to four products being cross sold to every single customer who is coming and associating themselves with us, which will truly help us and enable our organization to become a super financial conglomerate and adding greater value to our setup and our network because we have the trust and the confidence of our customers. With over 2.5 lakh customers being served every single day, we definitely take that trust very seriously and we will ensure to add greater value to our customers journey with us by various other products and services that we can contribute to their life and their journey with us. So, thank you so much to all shareholders, for a patient listening. And thank you to the entire Board for giving me this opportunity to share my thoughts. Thank you very much, Chairman, sir, over to you for the rest of the proceedings. Thank you and Jai Hind.

George Jacob Muthoot- Thank you, Alex, for your address and presentation from Delhi office. And also, the explanation regarding the shareholder's question. Thank you so much, I now authorize company secretary to conduct the e-voting procedure and conclude the meeting. The e-voting facility will remain open for the next 15 minutes to enable members to cast their votes. The results would be announced in 48 hours of the conclusion of the meeting and the same would be intimated to the stock exchange and uploaded on the website of the company and CDSL. I authorize Company Secretary to announce the result on my behalf on the scheduled date. On behalf of the entire Board of Directors, I thank all the shareholders for attending the meeting and for their continued support. We hope to see you all in-person next year. I also thank the Managing Director and all the Directors who are attending from this office and who are attending through video conference elsewhere in the country. Thank you very much and I also thank the auditors for joining this meeting. As a practice always we end the AGM proceedings with the National anthem.

[01.12.31-01.13.35](#) National anthem

Thank you once again to all the Board of Directors. Thank you very much for attending.

[01.13.50](#)