A STUDY ON NPA MANAGEMENT OF GOLD LOAN VS OTHER LOANS AT MANAPPURAM ASSET FINANCE LTD

Project Report

Submitted in partial fulfilment of the requirements

For the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

University of Calicut

By

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(Reg No: YPAWMBA028)

IV Semester MBA

Under the guidance of

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NAIPUNNYA BUSINESS SCHOOL

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DECLARATION

I, **Pooja P R**, hereby declare that the project report entitled "**A Study on NPA Management of Gold loan VS other loans at Manappuram Asset Finance Ltd**" has been prepared by me and submitted to the University of Calicut in partial fulfillment of the requirement for the award of **Master of Business Administration**, is a record of original work done by me under the supervision of **Dr. Suraj E S, Associate Professor,** Naipunnya Business School, Pongam, Koratty East, Thrissur.

I also declare that project work has not been submitted by me fully or partly for the award of any Degree, Diploma, Title or recognition before any authority.

Place: Koratty East, Thrissur **POOJA P R**

Date: YPAWMBA028

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Place: Koratty East, Thrissur **POOJA P R**

Date: YPAWMBA028

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INTRODUCTION

1.1 INTRODUCTION

Financial institutions face a big problem with non-performing assets (NPAs), which have an impact on their operational stability and profitability. Since NBFCs have various loan portfolios and face pressure from a competitive market, controlling non-performing assets (NPAs) becomes even more important. One of the top nonbank financial companies (NBFC) in India is Manappuram Asset Finance Ltd. It provides a range of lending products, most notably gold loans as well as other loan categories like business, automobile, and personal loans. Because the borrower's gold jewellery provides steady value and strong liquidity, gold loans are typically associated with lower default rates. However, some loans, which are frequently unsecured, may carry more risk and, hence, have a larger likelihood of defaulting.

Non-Banking Financial Companies (NBFCs) are essential to the financial ecosystem since they offer both consumers and businesses a broad range of financial services, such as advances, loans, investments, and asset management. NBFCs must manage Non-Performing Assets (NPAs) like their banking counterparts, which can jeopardize their operational effectiveness and financial stability. NBFCs face particular hurdles when it comes to NPA management, which calls for specialized approaches to deal with the complexities of their business model, risk profile, and regulatory environment.

Non-performing assets (NPAs) are advances, loans, or other financial assets that no longer generate revenue or repayments in accordance with the agreed-upon terms. Like banks, NBFCs may experience non-performing assets (NPAs) as a result of a variety of circumstances, including borrower defaults, recessions, poor risk management procedures, and outside disturbances. But because NBFCs and traditional banks have different lending strategies, clientele, and regulatory environments, their NPAs can be different in kind. Because of this, their loan portfolios could differ from banks in that they have a greater concentration of unsecured loans, consumer finance, and niche products like auto and microloans. This specialization may affect the dynamics and makeup of non-performing assets (NPAs) in NBFCs, necessitating the need of specialized risk assessment and mitigation techniques. Non-performing assets, or NPAs, are an essential data used to assess the financial stability of banks and other financial organizations. NPAs are loans or advances that no longer generate income for the lender because the borrower fails to repay the principal or interest for a fixed period of time. Put more simply, these are assets that the borrower has stopped making payments on, which has caused the lender to lose money. Loans may become non-performing assets (NPAs) for a number of reasons. Common causes include fraud, business bankruptcies, economic downturns, and inadequate credit risk assessment.

Non-performing asset (NPA) management refers to the strategies, processes, and measures implemented by banks, financial institutions, and other creditors to effectively address and mitigate the risks associated with non-performing assets in their portfolios. Managing NPAs is critical for ensuring financial stability, maintaining asset quality, and protecting stakeholders' interests. Non-performing assets (NPAs) can be caused by a variety of situations and have serious consequences for lenders and borrowers. Non-performing assets (NPAs) are assets in non-banking enterprises that no longer generate revenue or meet expectations. Sustaining long-term profitability, preserving financial health, and optimizing resource allocation all depend on competent NPA management. Non-banking businesses can reduce the effect of non-performing assets (NPAs) and strengthen their resilience to economic downturns by implementing responsible asset management practices and improving risk management frameworks.

In non-banking organizations, managing non-performing assets (NPAs) demands strategic decision-making, risk assessment, and efficient asset management. Businesses must periodically assess their asset portfolio, spot possible non-performing assets, and take aggressive action to resolve them. This could entail writing off irrecoverable receivables, restructuring debt, increasing inventory management procedures, or selling off idle or outdated assets. Non-banking enterprises must strengthen their risk management systems in order to lower the risk of nonperforming assets (NPAs).This entails carrying out extensive due diligence prior to loan extension, putting in place reliable procedures for evaluating credit risk, and keeping sufficient reserves for bad debts and asset impairments. When it comes to managing non-performing assets (NPAs) in gold loans versus other types of loans within NBFCs, there are distinct considerations and strategies involved. Non-banking financial businesses (NBFCs) play an important role in providing financial services outside of the traditional banking industry, such as lending, investing, and wealth management. Gold loans are lending wherein borrowers obtain monies by pledging their gold assets as security. Because of this collateralization, NBFCs are considerably less at risk because they have physical assets to fall back on in the event of default. Consequently, when compared to unsecured loans, controlling nonperforming assets (NPAs) in gold loans inside NBFCs is typically simpler. One of the primary advantages in managing NPA in gold loans is the ease of liquidation. In the event of default, NBFCs can quickly auction or sell the gold collateral to recover their dues. This ensures expedited resolution of NPAs and minimizes losses for the NBFC. NBFCs manage nonperforming assets (NPAs) in unsecured loans through more thorough risk assessment and mitigation techniques. NBFCs mainly rely on the borrower's creditworthiness and financial history because there is no collateral required. Strict qualifying requirements are required for this, such as debt-to-income ratios, income verification, and credit scores.

NBFCs must deal with greater recovery costs and lengthier resolution times when unsecured loan defaults occur. Recovering debt is often accomplished through litigation, debt restructuring, and asset seizure. When compared to secured loans such as gold loans, the recovery success rate is naturally lower. Furthermore, the NPA management of gold loans and other loans within NBFCs can be greatly impacted by macroeconomic factors like interest rate changes and economic downturns. All loan categories often see an increase in default rates during economic downturns, thus NBFCs must take proactive measures to mitigate risk.

1.2 STATEMENT OF THE PROBLEM

The issue being looked into is how financial institutions handle non-performing assets (NPAs) differently for gold loans versus other loan products, with a particular emphasis on the Manappuram Asset Finance Ltd. case. NPAs have a negative impact on profitability, liquidity, and overall operational efficiency, affecting the stability and financial health of lending institutions. Other loan products, such as unsecured personal loans or corporate loans, do not require security; however, gold loans must. Consequently, it is critical to comprehend how gold loans and other loan products handle non-performing assets (NPAs) because this affects risk exposure, recovery tactics, and the lending portfolio's overall performance. Financial institutions face an immense challenge in the form of non-performing assets (NPAs), which have an adverse effect on both their profitability and general stability. Effective management of non-performing assets (NPAs) is important for Manappuram Asset Finance Ltd., a significant participant in the lending business, to sustain its competitive border and ensure long term growth. The effectiveness of NPA recovery procedures, however, is not well understood, especially when comparing gold loans with other loan options. This information gap limits the capacity to create focused and successful NPA management strategies.

1.3 OBJECTIVES OF THE STUDY

Following are the objectives of the study: -

- To Assess the efficiency of NPA recovery processes.
- To compare NPA between gold loans and other loan products.
- To identify the relationship between AUM and NPA Recovery rate of both loans offered by Manappuram Asset Finance Ltd.
- To suggest the strategies for improving the recovery management related to gold loan and other loans.

1.4 SCOPE OF THE STUDY

The research concerning the management of non-performing assets (NPAs) in relation to gold loans versus other loans covers a range of aspects in the financial institution setting, with a particular emphasis on Manappuram Asset Finance Ltd. The subject scope of this study focuses on the comparison of NPA management in gold loans versus other types of loans at Manappuram Asset Finance Ltd. This includes analysing and comparing NPA levels, evaluating the effectiveness of these strategies, investigating recovery processes. By concentrating on these specific areas, the study aims to provide detailed insights and practical recommendations for improving NPA management within the company. Through this in-depth evaluation, the research aims to offer strategic recommendations and targeted modifications that will improve default rates, improve NPA management procedures, and strengthen the institution's overall financial stability. The study will evaluate the development and management of non-performing assets (NPAs) across gold loans and other loan products by looking at characteristics such as default rates, recovery rates, and causes of NPAs.

1.5 RESEARCH METHODOLOY

1.5.1 RESEARCH DESIGN

The analytical investigation is predicated on secondary data that was gathered from various sources and examined through the use of suitable analytical procedures. Analytical research is a kind of scientific inquiry that involves the methodical gathering, interpretation, and analysis of numerical data. It is sometimes referred to as empirical research or quantitative research. This research method aims to understand and explain the relationships between variables and to make predictions based on statistical analysis.

Social sciences, economics, psychology, marketing, and the natural sciences are just a few of the sectors that frequently employ analytical research. Its quantitative nature allows it to be applied to forecasting, trend analysis, and theory testing all of which advance knowledge and encourage the use of evidence in decision-making. Though qualitative research focuses on gaining a thorough understanding of experiences, behaviours, and motives through non-numerical data collection and analysis, it is important to note that analytical research complements other research methodologies. For this study under analytical research, statistical research is being conducted using various tools like percentage analysis and correlation coefficient for analysing the data.

1.5.2 SOURCES OF DATA

This study is using secondary data. Historical data for the financial year for 5 years from 2019-2023 is taken.

- Audited Financials report
- MIS data

1.5.3 TOOLS USED FOR DATAANALYSIS

1) Percentage Analysis:

A specific set of data can be expressed as a percentage of the total using a statistical method known as percentage analysis. This strategy makes complex data easier to understand by turning absolute numbers into relative proportions. This makes it easier to compare different data sets and spot trends or patterns. This technique is especially helpful for financial statements because it may show how different expenses relate to overall sales and point out areas that could need more investment or cost reduction.

Percentage analysis is used in surveys and the social sciences to show the relative frequencies of events or responses within a sample. This facilitates the interpretation of the degree to which a given opinion or action is prevalent among the community for study.

2) Correlation Coefficient:

The degree to which two variables have a linear relationship is statistically measured by the correlation coefficient. There are possible values for it between -1 and 1. A perfect negative, or inverse, correlation, with a correlation coefficient of -1, characterizes a situation in which the values of one series rise as those of the other decline, and vice versa. A straight association or perfect positive correlation is shown by a correlation coefficient of 1. The absence of a linear relationship is shown by a correlation coefficient of 0.

Depending on the characteristics of the compared data, several kinds of correlation coefficients are used to evaluate correlation. The most widely used method for determining the direction and strength of a linear relationship between two variables is the Pearson coefficient, sometimes known as Pearson's r. The Pearson coefficient is unable to differentiate between dependent and independent variables or evaluate nonlinear relationships between variables. With the values of one data series shown on the x-axis and the corresponding values of the other series on the y-axis, the Pearson coefficient is a mathematical statistics formula that calculates how closely the data points combining the two variables match the line of best fit. Regression analysis can be used to find the line of best fit.

The higher the correlation and better the fit, the closer the coefficient, whether positive or negative, is from zero. The variables are perfectly associated when all of the data points align in a straight line, which is shown by values of -1 for a negative correlation and 1 for a positive one. Stated differently, the degree of predictability in the relationship allows one to infer the value of one variable from the matching value of the other. The correlation is smaller the closer the correlation coefficient is to zero; at 0, there is absolutely no linear a connection.

Formula for calculating correlation coefficient is:

$$= \frac{n\ \Sigma xy - (\Sigma x).(\Sigma y)}{\sqrt{n\Sigma x^2 - (\Sigma x)^2}\ \sqrt{n\ \Sigma y^2 - (\ \Sigma y)^2}}$$

Types of Correlation Coefficient:

There are mainly three types of classifications of correlation. They are:

1) **Positive correlation:**

One variable's value rises in a linear way when another variable's value rises. This suggests that the two variables have an equivalent relationship. Therefore, in this particular case, its correlation coefficient would be positive, or 1.

2) **Negative correlation**

The correlation coefficient would be negative in the event that one variable's values decreased while the values of another variable increased.

3) **Zero or no correlation**

When there is no particular relationship between two variables, there is one more scenario.

1.5.4 PERIOD OF THE STUDY

The period of the study is for 56 days or 8 weeks from 1st April 2024 to 26th May 2023. During this period the study was conducted understand mainly the NPA management of gold loan versus other loans for the time line of 5 years from the financial year from 2019 – 2023. The study is conducted and reach in to the conclusion on1the basis1of analysing1the five years financial1Reports of MAAFIN, i.e. from 2019 to 2023.

1.5.5 HYPOTHESIS OF THE STUDY

HYPOTHESIS 1

Correlation coefficient between gold loan Aum and NPA recovery rate.

- Null hypothesis(H0): There is no significant relationship between gold loan Aum and NPA recovery rate.

- Alternative hypothesis(H1): There is a significant relationship between gold loan Aum and NPA recovery rate.

HYPOTHESIS 2

Correlation coefficient between non-gold loan Aum and NPA recovery rate.

- Null hypothesis(H0): There is no significant relationship between non-gold loan Aum and NPA recovery rate.
- Alternative hypothesis(H1): There is a significant relationship between non-gold loan Aum and NPA recovery rate.

1.6 LIMITATIONS OF THE STUDY

- Data of last 5 years only be used which is from the year 2019-2023.
- NPAs are changing with time. The study is done in the present environment without foreseeing future development.
- The study was conduct without breaking the data confidentiality of the organisation. Hence it was not possible to go in all information.

1.7 INDUSTRY PROFILE

1.7.1 WORLDWIDE SCENARIO

The global landscape of non-banking financial companies, or NBFCs, is characterized by a variety of factors, including regional differences in economic situations, market dynamics, and regulatory frameworks. NBFCs are well-known companies that provide a variety of financial services, including as asset management, leasing, factoring, and consumer lending, in developed countries like the US and Europe. In addition to acting as alternative credit intermediaries, these NBFCs frequently support traditional banks by targeting particular market niches like small and medium-sized businesses (SMEs) and individuals with particular financing requirements.

By providing services to neglected people and specialist markets, NBFCs play a significant role in fostering financial inclusion in emerging nations like Brazil, China, and India. In these areas, community-based NBFCs and microfinance institutions (MFIs) concentrate on offering low-income households insurance products, savings accounts, and microloans so they can increase their assets and standard of living.

Fintech-driven NBFCs are also expanding their service offerings by using innovation and technology. They are reaching out to new consumer segments and increasing operational efficiency by delivering mobile-based financial solutions and digital lending platforms.

Nonetheless, there are a number of risks and difficulties that NBFCs encounter globally, including as market volatility, asset quality deterioration, funding limitations, and regulatory compliance. Robust risk management and governance methods are necessary for nonbanking financial companies (NBFCs) due to their vulnerability to external shocks, interest rate changes, and economic downturns. Despite these obstacles, non-bank financial companies (NBFCs) are nonetheless essential to the global financial system because they foster innovation, financial inclusion, and economic expansion in a variety of markets and geographical areas. NBFCs are also quite important in developed economies, even if the regulations are stricter there. NBFCs have to conform to strict regulations in places like North America and Europe to maintain consumer protection and market stability. By concentrating on specific markets and utilizing technology to improve customer experience and operational efficiency, they manage to prosper in spite of these challenges. Peer-to-peer lending, digital lending platforms, and other creative financial products are just a few of the ways that fintech companies under the NBFC framework are changing the financial services sector. The NBFC industry is expected to expand globally as new technologies like blockchain and artificial intelligence present more chances for efficient service delivery. As the industry develops, NBFCs are expected to be essential components of the larger financial ecosystem, filling gaps in financial services and supporting the economy.

1.7.2 INDIAN SCENARIO

Non-Banking Financial Companies (NBFCs) have become important players in the Indian financial scene, supporting financial inclusion and acting as a supplement to traditional banks. Retail lending, home financing, auto financing, microfinance, and infrastructure financing are the financial services that NBFCs in India have expanded to offer over the years. They provide the varied financial demands of the nation by serving people, small and medium-sized businesses (SMEs), underprivileged populations, rural communities, and other elements of society.

Favorable regulatory reforms, strong economic growth, and rising loan demand in both urban and rural areas have all contributed to the Indian NBFC sector's explosive growth and expansion. Low-income households have benefited greatly from microloans from microfinance institutions (MFIs), which have enabled them to increase their level of living, create assets, and make money.

The financial system in India is supported by a wide range of institutions in the banking industry, including foreign banks, cooperative banks, public sector banks (PSBs), private sector banks, and regional rural banks (RRBs). Due to their historical dominance, public sector banks have been essential in promoting financial inclusion and assisting with efforts aimed at economic growth, especially in rural and semi-urban areas. Recognized for their adaptability and customer-focused methodology, private sector banks have become formidable rivals, presenting inventive offerings to meet the changing demands of Indian enterprises and consumers. Despite their relatively small number, foreign banks contribute to the efficiency and competitiveness of the Indian financial ecosystem by bringing global capital and expertise. They offer vital financial services and make a substantial contribution to both financial inclusion and economic growth. NBFCs serve a wide range of customers in India, from individuals to small and medium-sized businesses (SMEs), providing a comprehensive range of services such as asset lending, microfinance, and wealth management. They have shown to be especially successful in reaching populations that traditional banks tend to overlook, like lower-class and rural communities. A significant portion of the entire credit market is currently held by NBFCs, whose rapid expansion has been supported by their capacity to provide customized financial solutions. Leading firms in the industry, such as Bajaj Finance, Muthoot Finance, and Manappuram Finance, are prime examples of its dynamism and flexibility. They frequently use technology to improve customer service and operational effectiveness.

1.7.3 STATE SCENARIO

The Non-Banking Financial Companies (NBFCs) state-by-state scenario in India is characterized by a heterogeneous landscape shaped by regulatory frameworks, population shifts, and regional economic differences. Strong industrial and commercial states like Maharashtra, Gujarat, and Karnataka are home to a large number of NBFCs that serve the various financial demands of people living in urban and semiurban areas. These states frequently have larger concentrations of nonbank financial companies (NBFCs), which include both major corporations and smaller specialty businesses that provide a variety of financial services and products, such as microlending, retail lending, and auto financing.

NBFCs face particular potential and challenges in states like Uttar Pradesh, Bihar, and Madhya Pradesh that have rural populations and agrarian economies. In these states, microfinance institutions (MFIs) and NBFCs with a rural focus are essential since they offer underprivileged people insurance, savings, and microcredit. By using creative and tailored tactics to meet the unique financial requirements and limitations of rural borrowers, these NBFCs greatly advance financial inclusion and rural development.

State-by-state variations in infrastructure, capital availability, and regulatory compliance are also reflected in the NBFC scenario. While some states have well-established infrastructure and regulatory frameworks to support the operations of NBFCs, others may encounter difficulties with finance, governance standards, and regulatory compliance. Through the implementation of laws that are supportive of NBFCs, the facilitation of capital access, and the promotion of financial literacy and inclusion efforts that are customized to the unique needs of each region, state governments and regulatory agencies actively contribute to the creation of an enabling environment for NBFCs. For NBFCs to successfully traverse the local ecosystem, spot development possibilities, and meet the financial demands of various communities across India, they must have a thorough understanding of the state-specific dynamics.

The regulatory landscape, degree of financial inclusion, and local economic conditions all have significant effects on the state-level situation of Non-Banking Financial Companies (NBFCs) in India. These states gain from having an effective system of non-bank financial companies (NBFCs) that meet a range of needs, including as consumer loans, trade finance, and asset financing. These regions' NBFCs frequently take advantage of their manufacturing and technology areas and other local economic assets to provide customized financial products that meet the needs of local businesses. The state-level situation, taken as a whole, highlights the sector's flexibility and vital role in reducing regional differences in financial access. At the local level, NBFCs promoting inclusive growth, entrepreneurship, and economic development as they develop and spread throughout various state.

Importance of NBFCs in the Indian Economy:

NBFCs (Non-Banking Financial Companies) play an important role in promoting inclusive growth in the country, by catering to the diverse financial needs of bank excluded customers. Further, NBFCs often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSMEs) most suitable to their business requirements. NBFCs do play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance. NBFCs are essential in helping clients and traditional banks connect, particularly in places where traditional banks have a limited presence. With a vast array of financial services and products, they are an asset to the banking industry. A variety of financial services are provided by Non-banks Financial Companies (NBFCs), which are essential to the financial ecosystem and serve to supplement traditional banks. In addition to offering specialized services and bridging the gap in financial inclusion, they also greatly advance national economies. In order for people and businesses to make wise financial decisions, they must comprehend the role of NBFCs.

NBFCs are financial intermediaries engaged in the business of accepting deposits delivering credit and play an important role in channelizing the scarce financial resources to capital formation. They supplement the role of the banking sector in meeting the increasing financial needs of the corporate sector, delivering credit to the unorganized sector and to small local borrowers. However, they do not include services related to agriculture activity, industrial activity, sale, purchase or construction of immovable property. In India, despite being different from banks, NBFC are bound by the Indian banking industry rules and regulations.

NBFC focuses on business related to loans and advances, acquisition of shares, stock, bonds, debentures, securities issued by government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business. The banking sector would always be the most important sector in the field of business because of its credibility in supporting manufacturing, infrastructural development and even being the backbone for the common man's money. But despite this, the role of NBFCs is critical and their presence in a country would only boost the economy in the right direction.

1.8 COMPANY PROFILE

Manappuram Finance Ltd. is one of India's leading gold loans NBFCs. Promoted by Shri. V.P. Nandakumar, the current MD & CEO, its origins go back to 1949 when it was founded in the coastal village of Valapad (Thrissur District) by his late father Mr. V.C. Padmanabhan. The firm was involved in pawn broking and money lending carried out on a modest scale. Shri Nandakumar took over the reins in 1986 after his father expired.

'Manappuram1Asset Finance Limited' is a part of 'Manappuram Group',one.of0the leading1gold 1oan providers in1India. On June 24, 1987, Manappuram Asset Finance Ltd (formerly known as LFC Hire purchase Company Private Limited) was founded. In 2007, the Manappuram Group's promoters assumed control of the corporation. Following that, the corporation focused mostly on lending against gold security, small and medium-sized enterprise (SME) loans (loans against real estate), business loans, and auto loans, among other lending activities. With the assistance of highly skilled professionals and workers with significant industry experience, the company is run by a diverse board of notable individuals.

MAAFIN is headquartered in Valapad, Thrissur District, Kerala and operates through branches located across Seven states (Kerala, Tamil Nadu, Karnataka, Bihar, Odisha, Telangana & Andhra Pradesh) in India. MAAFIN has at present 60 Branches and around 700+ people employed across India. After being taken over by the Manappuram Group's promoters in 2007, the company focused primarily on lending against gold security, SME loans (loans against property), auto loans, business loans, and so forth. The company is run by a diverse board of well-known people, supported by highly qualified professionals and staff with relevant industry experience.

1.8.1 HISTORY

Manappuram Finance Ltd. is one of India's leading gold loans NBFCs. Promoted by Shri. V.P. Nandakumar, the current MD & CEO, its origins go back to 1949 when it was founded in the coastal village of Valapad (Thrissur District) by his late father Mr. V.C. Padmanabhan. The firm was involved in pawn broking and money lending carried out on a modest scale. Shri Nandakumar took over the reins in 1986 after his father expired.

Since then, it has been a story of unparalleled growth with many milestones crossed. Incorporated in 1992, Manappuram Finance Ltd. has grown at a rapid pace. Today, it has more than 5200 (Includes branches of subsidiary companies) branches across 28 states/UTs with assets under management (AUM) of Rs. 404 billion and a workforce of more than 45,000.

Manappuram Finance Ltd. is a professionally run company promoted by Shri V.P. Nandakumar who controls approximately 35% of the total equity of the company. A similar share is held by various Indian and foreign private equity funds while the balance is dispersed among the public. The shares of the company are traded on both the BSE and NSE. The company is managed by a Board consisting of ten directors headed by Shri Shailesh Mehta, Chairman. Shri Mehta is the founder of the Shailesh J. Mehta School of Management at IIT Bombay. Shri V.P. Nandakumar is the MD & CEO of the company. In January 2017, he was ranked by Business Today magazine as one among the Top 40 CEOs from the BSFI sector. He was one of a select few corporate leaders from India to be shortlisted for the CNBC Asia Business Leader Award 2016 held in Jakarta in November 2016. Shri V.P. Nandakumar has also bagged the Hurun India's award for his remarkable achievements in the world of business and received The Hurun Industry Achievement Award 2022 from top Hurun India officials at a function held in Mumbai on 2nd February 2023.

Marketing Status

Manappuram Asset Finance Limited has established a strong presence in the local market through strategic marketing initiatives. The company has effectively utilized both traditional and digital marketing channels to reach its target audience. Traditional marketing efforts such as print advertisements, outdoor signage, and local events have helped raise brand awareness among the local community. In addition, through a variety of marketing channels, including advertising campaigns, digital marketing activities, and community event participation, the company has developed a significant presence in the local market. Its well-defined marketing plan aims to increase its consumer base by interacting with potential customers.

HR Status:

Employee happiness and a healthy work environment are top priorities for the human resources department at Manappuram Asset Finance Limited. Recruitment, development, performance management, and employee engagement are the main focuses of HR activities. Systems for performance management are in place to recognize and encourage worker achievements, encouraging a culture of excellence and responsibility. To encourage a positive work environment, regular employee engagement events including group discussions, teambuilding exercises, and employee feedback sessions are planned to foster a sense of community and belonging among staff members. Ensuring a pleasant work culture, developing employee engagement, and attracting and keeping talent are the main priorities of the HR department. To improve skills and competencies and increase employee satisfaction and organizational effectiveness, the corporation funds employee training programs.

Financial Status:

Manappuram Asset Finance Limited in Valapad has maintained a strong financial position, with steady revenue growth and good financial management practices. A strong risk management strategy and a wide variety of funding options support the company's financial performance. Interest income from loans and advances, along with fee-based income from additional services like asset management and insurance, make up the majority of revenue streams. Cost-management techniques are employed to maximize operating costs and improve profitability. Furthermore, the organization conforms to the regulatory compliance standards established by the Reserve Bank of India (RBI) and other relevant authorities, guaranteeing accountability and openness in financial reporting. In the competitive financial services industry, Manappuram Asset Finance Limited in Valapad has consistently shown financial stability and durability. There are mainly 23 departments in Manappuram Asset Finance Limited's head office including:

Pros:

- Alternate source of credit, funding
- Direct contact with clients, eliminating intermediaries
- High benefit for investors
- Liquidity for the financial system and

Cons:

- Non-regulated, not subject to oversight
- Non transparent operations
- Systemic risk to finance system, economy

VISION:

To become the preferred choice of financia1 services partner for 1ndia'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. Vision is to become a leading NBFC in India with highest degree of transparency and ethical standards.

MISSION:

ManappuramdFinance Limited is dedicated to the mission of bringing convenience to people's 1ives and making their 1ives easier. We offer secured and unsecuredgcredit to meet their variedkfinancial needs from instant gold loans to microfinance, affordable home 1oans, vehicle financekand more.

1.8.2 BOARD OF DIRECTORS

Table 1.1 Board of Directors of Manappuram asset finance ltd

SL NO	NAME	DESIGNATION
1	DR.V. VENUGOPALAN	CHAIRMAN
2	V.S. PRASANNAN	MANAGING DIRECTOR
3	A.K. MOHANAN	NON-EXECUTIVE DIRECTOR
4	V.S. VYASABABU	DIRECTOR
5	BHASI K. V	DIRECTOR
6	TITU PRASANNAN	EXECUTIVE DIRECTOR

DR.V. VENUGOPALAN

Shri V. Venugoapalan is the Non-executive Chairman of the company. He is a Phd holder and also a fellow member of Institute of Chartered Accountants of India and have vast experience in the field of Banking and Non-banking companies. He is the Director of the company since August 2012.

V.S. PRASANNAN

Shri VS Prasannan is the Managing Director of the company. He is a civil Engineer by profession and he served Central Public Works Department for more than 36 years at various locations throughout the country and Nepal. Formerly he was the Managing Director Maben Nidhi Ltd and have vast experience in the field of NBFCs.

A.K. MOHANAN

Shri A.K Mohanan is one of the Non-Executive Directors of the company. He is a fellow member of Institute of Chartered Accountants of India and have more than 20 years of experience in company related matters. He is the Director of the company since December 2012.

V.S. VYASABABU

Shri.V. S Vyasababu joined the Company from September 2015. He is a Chartered Engineer by profession and has extensive experience in civil engineering and has worked for long in Middle East besides having handled various Government of India assignments. Formerly he was Director in Maben Nidhi Ltd and had vast experience in financial service industry and Nidhi Companies.

BHASI K. V

Shri Bhasi. K. V is one of the Non-executive (Independent) Directors of the company. He is a fellow member of Institute of Chartered Accountants of India and has more than 30 years of experience in Banking, Accounts & Finance, Taxation, Treasury, Risk Management, and Statutory Compliance. He is the Director of the company since July 2022.

TITU PRASANNAN

Shri. Titu Prasannan is one of the Executive Directors of the Company. He is a post graduate in Business Administration and has an extensive experience in financial service industry especially in Non-Banking Financial Companies (NBFCs) and Nidhi Companies.

KEY MANAGEMENT PERSONNEL:

Table 1.2 Key management personnel of Manappuram asset finance ltd.

SL NO	NAME	DESIGNATION
1	DAVID ROMY JOSE P	CEO
2	KRISHNARAJ P	CFO
3	MR. UNNIKRISHNAN K. S	COMPANY SECRETARY

DAVID ROMY JOSE P

Mr. David Romy Jose.P is the Chief Executive Officer of Manappuram Asset Finance Ltd. He holds a Bachelor Degree in commerce and Master Degree in Business

Administration. He is also a Certified Associate of Indian Institute of Bankers. Further had done various professional courses like Digital Marketing (from Wharton University), Fintech & Block Chain technology (from IIM Calcutta), Credit Underwriting (from Moody's) etc. He has around 22 years of experience in Banking, Non- Banking and Insurance sectors. Earlier he was the Chief Executive Officer of Maben Nidhi Ltd.

KRISHNARAJ P

Shri Krishnaraj. P is the Chief Finance Officer of the company. He is a member of Institute of Chartered Accountants of India. He is the Chief Finance Officer of the company since September 2020.

MR. UNNIKRISHNAN K. S

Mr. Unnikrishnan K.S is the Company Secretary of the company. He is post graduate in Law and a member of Institute of Company

Secretaries of India. He is working with the company since July 2011.

SPECIALIST OFFICERS:

Table 1.3 Specialist officers of Manappuram asset finance ltd.

SL NO	NAME	DESIGNATION
1	MR. RADHAKRISHNAN NAIR	CHIEF RISK AND CREDIT OFFICER
2	MR. K SOMARAJAN	CHIEF COMPLIANCE OFFICER

MR. RADHAKRISHNAN NAIR

Mr. Radhakrishnan K is the Chief Risk and Credit Officer of the company. He holds MBA in marketing and AMP. He has 31-year experience in State Bank of India in various positions LHO and RBO (Retired as DGM).

MR. K SOMARAJAN

Mr. K Somarajan is the Chief compliance officer of the company. He holds a bachelor of Legislative Law. He has 39-year experience in State bank of India in Business development, Vigilance (Retired as DGM).

1.8.3 PRODUCTS

- **GOLD LOAN:** One of Manappuram's major offerings is this. Customers who wish to borrow money must pledge their gold coins, jewellery, or decorations as security. Typically having a short period, these loans are disbursed rapidly. Manappuram appraises the gold and makes loan arrangements based on a portion of that value.

Highlights of Gold Loan:

- Speedy processing and disbursement.
- Loans up to 1.5 Cr rupees.
- Minimum Requirements: Only one recent ID-Voter ID/ Ration Card/ Driving License/ Passport. No time-consuming formalities involved.
- Pay interest only for the exact period of loan, and to the exact number of days.
- Different schemes for different needs, to suit all income groups.

Documents needed:

Proof of identification (KYC). Any of the following are acceptable:

- Passport / Driving license / Adhar Card.
- Govt of India election ID card with address proof.
- Pan Card / Form 60 (Mandatory).
- Any Govt departmental ID card.

ONLINE GOLD LOAN (OGL): The Online Gold Loan (OGL) from Manappuram Asset Finance Ltd. is an easy-to-use and convenient option for anyone looking for short-term financial support while utilizing their gold holdings. With the help of this cutting-edge technology, borrowers may easily start the loan procedure via the company's website or mobile app, doing away with the need for a lot of paperwork and in-person visits throughout the application process.

Highlights of online Gold Loan:

- Convenience, Transparency, Full Cover Insurance.
- Online loan through Smart Phone & Computer.
- Transparency than Personnel Loan, Consumer Loan etc.
- Convenience for loan on Sundays, including holidays including Bank holiday and after Office hours.
- Better than Credit Cards.
- Loans up to Rs. 1.5 crore.
- Pay interest only for the exact number of days.
- Facility for remitting interest and principal through Online.
- A true friend in urgent situations.
- Full cover insurance for gold ornaments pledged.
- Confirmation of all Online transactions to the registered Mobile Number and Email

- **VEHICLE LOAN:** For those wishing to buy a variety of vehicles, such as cars, trucks, and other forms of transportation, Manappuram Asset Finance Ltd. provides Vehicle Loans. The purpose of these loans is to give borrowers the money they need to easily and reasonably purchase the cars they want.

Highlights of Vehicle loan:

- Security Needed: - Vehicle
- Tenure: - Up to 5 years
- Loan amount: - From 2 lakh to 20 lakhs
- LTV: - 80 % value of vehicle
- Repayment mode: - Monthly EMI
- Interest rate: - Interest rate at par with industry
- Processing fee: - 1% of Loan amount

- **SME LOAN (LOAN AGAINST PROPERTY):** Manappuram Asset Finance Ltd. primarily provides loans against property to SME (Small and Medium Enterprises). This sort of secured loan allows borrowers to access funding for their business needs by pledging collateral such as land, commercial space, or residential property.

  Highlights of SME loan (loan against property)

  - Security Needed: - Landed property
  - Tenure: - Up to 10 years
  - Maximum Loan amount: - 50 lakhs
  - LTV: - 55% of Value of property
  - Repayment mode: - Monthly installments
  - Interest rate:

    Minimum 15%

    Maximum 25%

  - Processing fee: - 2% of Loan amount

- **SME LOAN (Business Loan):** Manappuram Asset Finance Ltd. offers business loans to small and medium-sized businesses (SMEs) so they can satisfy working capital requirements, finance development plans, buy equipment, or handle cash flow issues. The specialized requirements of enterprises in a variety of industries are catered to by these loans.

  Highlights of SME loan (Business loan):

  - Tenure: - Up to 3 years
  - Loan amount: - Maximum Loan Amount 3 Lakhs
  - Repayment mode: - Monthly Installments
  - Interest rate:

    Minimum 15%

    Maximum 26%

  - Processing fee: - 2.5%
  - Eligibility: - Applicant should be in same line of business for at least 3 years.

- **MICROFINANCE LOAN:** Microfinance services are provided by Manappuram Asset Finance Ltd to individuals and small enterprises, particularly those residing in rural or poor areas. These loans are generally small in size and cover a range of needs, including those related to improving one's home, paying for schooling, paying for healthcare, and generating income, among others.

  Principles:

  - To help the economically active poor family, preferably women, to improve the living status through small but decisive financial interventions through microcredit.
  - Provide Microcredit to the individuals in Joint Lending Group (JLG) through nearby local centers, or own individual liabilities of the borrower & co-borrower(s).
  - Make available collateral-free loans under microcredit.
  - Relying on social collateral by creating groups of borrowers.
  - Loans to be repaid with interest in four weekly instalments, which is in alignment with the cash flow of the customer as opted by her.
  - Continuous engagements with customers and building Social Capital Pricing of loans:
  - For microfinance loans, no collateral security will be taken.
  - No security deposit will be collected for the loans sanctioned under microfinance.
  - No margin will be collected for the loans sanctioned under microfinance.
  - The interest will be fixed based on the cost of fund, risk premium, margin etc. by considering the loan amount, purpose of loan, tenure, past records, nature of liability, EMI to net income ratio, nature of occupation etc. The minimum and the maximum rate will be as per the interest rate policy of the company.
  - No penalty will be collected for prepayment/preclosure
  - For delayed payment, additional interest shall be applied as per the interest rate policy of the company on the overdue amount and not on the entire loan.

- Credit Life insurance coverage will be taken for applicant and guarantor/nominee for the loan amount.
- A Processing fee will be charged up on the gross loan amount as per the rate prescribed by the company and will be collected upfront/will be charged along with the sanctioned loan amount.

- **TWO-WHEELER LOANS:** Through its Two-Wheeler Loans, Manappuram Asset Finance Ltd. offers its services to people who want to buy two-wheelers. This loan product makes it simple and convenient to purchase motorbikes, scooters, or mopeds. A broad spectrum of customers can apply for loans because they can start the process through multiple channels, such as physical branches or online platforms.

  Highlights of MAAFIN New two-wheeler loan:

  - Minimum Documentation
  - Quick Process
  - Tenure up to 5 years
  - Age 18-65 Years
  - Loan Sanction within 2 hours
  - Up to 90% loan approval

  Highlights of MAAFIN Electric two-wheeler loan:

  - Minimum Documentation
  - Quick Process
  - Tenure up to 3 years
  - Age 18-65 Years
  - Upto 27% of loan approval
  - Loan sanction within 2 hours

1.8.4 COMPETITORS

- MUTHOOT FINANCE LIMITED: The biggest nonbank financial company (NBFC) in India for gold loans is Muthoot Finance Ltd. The company sells gold coins, provides insurance and money transfer services, and finances gold loans in addition to conventional lending options.

- KLM AXIVA FINVEST: KLM Axiva Finvest Limited offers services related to consumer finance. The company provides Forex and insurance services in addition to microfinance, investments, gold loans, and money exchange.
- IIFL FINANCE: IIFL Finance, a leading non-banking financial company (NBFC) in India, has established itself as a key player in the financial services sector. Originally part of the India Infoline Group, the company has diversified its offerings to include a wide array of financial products such as gold loans, home loans, business loans, microfinance, and real estate finance.
- SHRIRAM FINANCE: The largest retail NBFC in the nation, Shriram Finance provides financing options for small and commercial businesses, as well as two-wheeler loans, car loans, home loans, gold loans, personal and small business loans.
- FIVE STAR BUSINESS FINANCE LIMITED: Five Star provides small Business loans and Small Mortgage loans to eligible borrowers to meet their business and personal needs, after due underwriting of their cashflows and backed by the collateral of their house property.
- CHOLAMANDALAM FINANCE: One of the top non-banking financial firms (NBFCs) in India is Cholamandalam Finance, formerly known as Cholamandalam Investment and Finance Company Limited (CIFCL). It Offering a range of financial services, including loans for cars, houses, small and medium-sized businesses, loans secured by real estate, and loans for farming and rural areas, is the main focus of Cholamandalam Finance.
- MUTHOOT FINCORP: One of the top non-banking financial businesses (NBFCs) in India is Muthoot Fincorp Ltd. The main business areas of Muthoot Fincorp are individual financial services, micro-organizations, and SMEs (small and medium-sized enterprises) Microfinance, business loans, gold loans, vehicle loans and home finance are a few of its main products.
- L&T FINANCE: L&T Finance Limited (formerly known as L&T Finance Holdings Limited) is one of the leading Non-Banking Financial Companies in India, with a strong presence across the lending business catering to the diverse financing needs of served and underserved customers. L&T Finance offers Personal loans, Two-Wheeler loans, home loans, Rural Business loans, Farm

loans, and SME loans. At L&T Finance, we are committed to providing customised financial solutions that meet the unique needs of our customers.

- APTUS: Home loan company Aptus Value Housing Finance India Ltd. With a focus on low- and middle-income families from semi-urban and rural areas, Aptus was founded largely to meet their housing finance needs.
- EQUITAS SMALL FINANCE BANK: A well-known financial organization in India, focuses on meeting the needs of underprivileged and neglected populations. Originally founded in 2007 under the name Equitas Micro Finance Limited, it changed its name to a small finance bank in 2016 by adhering to the Reserve Bank of India's regulations for small finance bank licensing. With a focus on rural and semi-urban areas, Equitas Small Finance Bank seeks to offer complete banking services to individuals, small enterprises, and microenterprises.
- PIRAMAL FINANCE: A well-known non-banking financial corporation (NBFC) in India, Piramal Finance Limited is a division of the diverse Piramal Group, a conglomerate with holdings in financial services, real estate, and pharmaceuticals. In addition to corporate loans, structured finance, investment advisory services, and real estate financing, Piramal Finance offers a comprehensive array of financial solutions to individuals and enterprises in a number of industries.
- ANNAPOORNA FINANCE: Annapurna Finance Pvt. Ltd. is a prominent microfinance institution (MFI) in India, dedicated to providing financial services to underserved and economically disadvantaged individuals, particularly in rural and semi-urban areas. Established in 2009, Annapurna Finance focuses on empowering women and marginalized communities by offering a range of financial products and services, including microloans, microinsurance, savings accounts, and other financial inclusion initiatives.
- AASHIRVAD MICRO FINANCE LTD: One of India's top microfinance institutions (MFIs), Aashirvad Microfinance Ltd., is committed to helping underprivileged and economically disadvantaged people, mostly in rural and semi-urban areas, by offering financial services. Aashirvad Microfinance was founded with the goal of reducing poverty and empowering communities. Its primary objective is to provide loan facilities to women who own small

enterprises and are entrepreneurs, allowing them to increase their income and standard of living.

- TATA CAPITAL: India's Tata Capital Limited is a provider of investment and financial services. The company has over 100 branches nationwide and is headquartered in Mumbai. In addition to other services, the company provides wealth management, infrastructure finance, commercial finance, and consumer loans. Tata Capital's commitment to sustainability and social responsibility is evident through its initiatives in areas like renewable energy financing, affordable housing, and community development.

1.8.5 SWOT ANALYSIS

Strengths:

- Specialization in Gold Loans: Manappuram Asset Finance Limited has established itself as a leader in the gold loan sector, leveraging its expertise and experience in providing quick and convenient financing solutions against gold collateral.
- Wide Network: The company has a widespread network of branches across India, enabling it to reach a diverse customer base, including both urban and rural areas.
- Strong Brand Reputation: Manappuram enjoys a strong brand reputation and trust among customers due to its reliable and transparent lending practices, which have been built over years of operations.
- Diversification of Services: In addition to gold loans, Manappuram has diversified its portfolio to include other financial services such as microfinance, vehicle loans, and SME loans, enhancing its revenue streams and reducing dependency on a single product.
- Diverse Product Portfolio: Apart from gold loans, Manappuram offers various other financial products like microfinance, housing loans, and SME loans, diversifying its revenue streams.
- Experienced Management Team: A seasoned management team with expertise in financial services, guiding strategic initiatives and operational efficiencies.
- Adequate capitalisation: The company has a healthy capital adequacy ratio. Lower asset side risk (security of gold which is liquid and in lender’s

possession) also supports capitalisation. Assets under management in the gold loan segments are expected to grow moderately over the medium term. Also, other parts (affordable housing finance, loans against property and commercial vehicle finance have a relatively small scale.

Weaknesses:

- Dependency on Gold Prices: Since gold loans are the primary source of revenue for Manappuram, the company is liable to fluctuations in gold prices, which can impact its profitability and loan portfolio quality.
- Regulatory Risks: Being an NBFC, Manappuram is subject to regulatory changes and compliance requirements imposed by regulatory authorities, which could affect its operations and profitability.
- Competition: The financial services industry, including the gold loan segment, is highly competitive with the presence of both traditional banks and other NBFCs. Intense competition may pressure margins and market share.
- Asset Quality Concerns: Non-repayment of loans or decline in the value of collateral assets (such as gold) can pose risks to the company's asset quality and overall financial health.
- Cost Management: Maintaining competitive interest rates while managing operational costs remains a challenge in a competitive lending market.
- High Borrower Default Risk: The nature of asset-backed lending exposes Manappuram to risks associated with borrower defaults, especially during economic uncertainties.

Opportunities:

- Growing Demand for Gold Loans: Manappuram has a lot of opportunity to develop in the gold loan industry as a result of the growing need for easy and quick lending solutions, particularly among poor market segments.
- Expansion of Product Portfolio: In order to meet the changing needs of its clients, Manappuram can look into ways to expand into related industries or add new financial products to its portfolio.
- Digital Transformation: A company's market reach can be increased by investing in digital technology and online platforms, which can also improve

customer engagement, speed operations, and connect with consumers who are technologically savvy.

- Geographical Expansion: Manappuram can explore opportunities for geographical expansion beyond India's borders, tapping into international markets with similar demand dynamics for gold-backed financing.
- Economic Growth: Riding on economic growth cycles to increase loan demand and expand market share in the financial services sector.

Threats:

- Economic Uncertainty: Economic downturns, fluctuations in interest rates, or changes in government policies can impact the demand for financial services and adversely affect Manappuram's business operations and profitability.
- Credit Risks: The company faces credit risks associated with lending activities, including defaults, non-performing assets (NPAs), and credit losses, which could impact its financial performance and liquidity.
- Cybersecurity Risks: With the increasing digitization of financial services, Manappuram is exposed to cybersecurity threats such as data breaches, hacking, and identity theft, which could damage its reputation and erode customer trust.
- Regulatory Environment: Changes in regulations governing NBFCs, such as capital adequacy norms, provisioning requirements, or lending restrictions, could impact Manappuram's business model and profitability.
- Interest Rate Risk: Changes in interest rates could affect borrowing costs and profitability margins, particularly in asset-liability management.

Table 1.4 Organisation Structure of Manappuram asset finance ltd

DEPARTMENT	**EMPLOYEES**
ADMINISTRATION	2
DELINQUENT TRANSFER - NGL	1
DIGITAL MARKETING	1
GOLD LOAN	4
HRM	4
HRM (T)	2
INTERNALAUDIT	6
LEGAL	6
LEGAL - ADAALAT	3
MAAFIN - COMPLIANCE	3
MAAFIN - CUSTOMER RELATIONS	21
MAAFIN - FINANCE & ACCOUNTS	10
MAAFIN - GL-AUCTION & RECOVERY	1
MAAFIN - HP	5
MAAFIN - OPERATION	5
MAAFIN - SECRETARIAL	1
MAAFIN - TWO-WHEELER LOAN	4
MAAFIN - VEHICLE REPOSSESSION	2
MAAFIN - VIGILANCE	1
MAAFIN CEO OFFICE	2
MAAFIN-DIGITAL MARKETING	1
MAAFIN-IT DEPARTMENT	7
MAAFIN-MICRO FINANCE	5
MIS	5
NCD MARKETING	1
NGL -COLLECTION (SME)	1
NGL COLLECTION (TWL)	1
NGL- PROPERTYAND VEHICLE SALE	1
NGL-COLLECTION (VL)	1
NGL-RECOVERY	1
PRODUCT AND STRATEGY	2

RISK MANAGEMENT	2
SECRETARIAL	1
SECURITY CONTROL	1
SME LOAN	6

ADMINISTRATION DEPARTMENT:

Any organization's administration department acts as the central hub for ensuring the efficient operation and coordination of several tasks vital to the operation of the business. Office management, administrative duties, communications both internally and externally, and support for HR operations are just a few of the many responsibilities it manages.

DELINQUENT TRANSFER – NGL DEPARTMENT:

The department responsible for managing past-due accounts and transferring non-performing loans or assets to specialized recovery units is called "Delinquent Transfer - NGL" in an organization. Identifying past-due accounts, putting recovery plans in place for accounts that remain unpaid, and making sure business and financial regulations are followed are the main objectives of this department.

DIGITAL MARLETING DEPARTMENT:

A financial institution's digital marketing division is essential to using digital channels to raise brand awareness, encourage consumer interaction, and eventually encourage corporate expansion. This department is in charge of developing and implementing digital strategies. To successfully reach target audiences, it makes use of a variety of online platforms, including websites, social media, email, search engines, and mobile apps.

GOLD LOAN DEPARTMENT:

A company's "Gold Loan" division is dedicated to offering loans with gold as security. In addition to approving loan amounts based on a proportion of the market value of the gold, this department is in charge of determining the worth of the gold items and making sure the pledged assets are kept safe. It manages every step of the loan process, including application, distribution, repayment, and loan closure. The Gold Loan department serves clients who need rapid financial help while controlling related risks due to the secured nature of the loans by providing quick and easily accessible credit solutions.

HRM DEPARTMENT:

Any organization's human resource management (HRM) division plays a critical role in overseeing its most precious asset: its workforce. In order to guarantee that the company attracts and keeps top talent, this department is in charge of recruitment, hiring, and onboarding new hires. In order to preserve a positive work environment, HRM also handles employee relations, offering assistance and settling disputes. Ensuring just and inspiring reward systems, it supervises employee benefits, salary, and performance management systems.

HRM (T) DEPARTMENT:

An organization's "HRM (T)" department, which stands for Human Resource Management (Training), is responsible for creating and executing employee training initiatives. To strengthen the professional capacities of the workforce, this department conducts skill assessments, creates training programs, and plans conferences, workshops, and online learning sessions. This department is essential to the organization's overall success and competitiveness because it promotes lifelong learning, enhances worker performance, and supports career advancement.

INTERNAL AUDIT DEPARTMENT:

An organization's "Internal Audit" division is tasked with assessing and enhancing the efficiency of its governance, control, and risk management procedures. This department carries out impartial and independent evaluations of the company's financial reporting, operational procedures, and legal and regulatory compliance. Internal Audit offers senior management and the board of directors important insights and suggestions by recognizing fraud risks, inefficiencies, and areas for development.

LEGAL DEPARTMENT:

In order to protect the institution's interests and guarantee respect to financial requirements, the legal department is essential. This division is in charge of creating and examining loan agreements to make sure they follow the law and protect the business from any dangers. Along with controlling the company's relations with regulatory bodies, the legal department makes sure that all lending activities respect to the state and federal regulations that control financial transactions.

LEGAL - ADAALAT DEPARTMENT:

The legal staff in charge of managing and organizing loan recovery litigation through judicial processes is known as the "Legal -Adalat" department. This division is primarily responsible for defending the business in court or before tribunals in an effort to recoup delinquent loans. Their duties include submitting court petitions, participating in hearings, offering proof, and supporting the organization's concerns in following the relevant laws and guidelines. Enforcing loan agreements, obtaining judgments against defaulting borrowers, and assisting in the recovery of unpaid debts are all vital tasks performed by the Legal Adalat department.

MAAFIN – COMPLIANCE DEPARTMENT:

An organization's compliance department is in charge of making sure the business meets with all applicable legal, regulatory, and ethical requirements. This division creates and carries out policies and processes to stop and identify legal, regulatory, and corporate policy irregularities. It serves as an interface with regulatory agencies, performs regular inspections and evaluations, and develops and educates staff members.

MAAFIN - CUSTOMER RELATIONS DEPARTMENT:

An organization's customer relations department is tasked with overseeing and improving the relationship between the business and its clients. Inquiries, grievances, and feedback from customers are handled by this division, which guarantees that problems are handled efficiently and quickly. The client Relations team attempts to increase client happiness, loyalty, and retention by offering top-notch service and support. Additionally, they collect and examine client input to identify problem areas and guide the development of new goods and services.

MAAFIN - FINANCE & ACCOUNTS DEPARTMENT:

In order to maintain accurate financial reporting and manage the company's financial health, the Finance and Accounts department plays a critical role in an organization. In addition to keeping track of finances and making sure rules and guidelines are followed, this department is in charge of forecasting, financial planning, budgeting, and record-keeping. It manages employment, tax filings, accounts payable and receivable, and financial audits. The Finance & Accounts team supports resource allocation and strategic decision-making by offering insights through financial analysis and reporting.

MAAFIN - GL-AUCTION & RECOVERY DEPARTMENT:

An organization's Gold Loan-Auction & Recovery department is responsible for managing and recovering debts guaranteed by gold. This department starts the auction procedure to sell the pledged gold assets and collect the unpaid loan amounts when borrowers don't make their payments on time. Ensuring transparency and fairness, it guarantees that the auction procedures meet to legal and regulatory standards. The agency also manages recovery activities, collaborating with debtors to reach acceptable terms for repayment before holding an auction.

MAAFIN – HP DEPARTMENT:

An organization's department responsible for offering and overseeing loans secured by movable assets, especially cars, is known as the Hypothecation Loan or Vehicle Loan department. This section is in charge of managing the whole car loan process, from application and approval to payment and repayment. Assessing the applicants' creditworthiness, confirming the make and model of the car being pledged as collateral, and processing the required hypothecation agreements in which the car is pledged to the lender but stays in the borrower's ownership are important duties. The agency oversees loan repayment plans, keeps thorough records on hypothecated automobiles, and makes sure all legal and regulatory criteria are fulfilled.

MAAFIN – OPERATION DEPARTMENT:

The operations division is responsible for maintaining the smooth and effective operation of all everyday business operations. This department is in charge of managing and putting into practice a number of operational procedures, such as resource coordination, workflow efficiency, and production or service delivery oversight. Across all functional areas, operations experts attempt to maximize production, meet quality standards, and improve cost-effectiveness. To increase overall operational efficiency, they manage supply chain coordination, inventory control, logistics, and process improvement projects.

MAAFIN – SECRETARIAL DEPARTMENT:

A key component in guaranteeing corporate governance, compliance, and effective administration is the secretarial department. In addition to keeping statutory records and making sure that all legal and regulatory obligations are followed, this department is in charge of organizing and recording all board meetings. It is in charge of preparing and submitting required paperwork, like annual reports and compliance certificates, to regulatory agencies. In order to maintain accountability and openness in business operations, the secretarial department additionally serves as a communication channel between the shareholders and the board of directors. The Secretarial department maintains the highest standards of governance and makes sure the business stays within the law by keeping accurate records and offering crucial administrative support.

MAAFIN - TWO-WHEELER LOAN DEPARTMENT:

The Two-Wheeler Loan division focuses on offering financing options to clients wishing to buy scooters and motorcycles. The complete loan process is managed by this department, including application, approval, settlement, and repayment. Assessing applicants' creditworthiness, setting loan conditions, and handling paperwork for the two-wheeler's hypothecation as collateral are among the duties. In order to manage and reduce the risk of defaults, the department keeps careful track of all financed vehicles, makes sure that all legal and financial requirements are satisfied, and keeps an eye on repayment schedules.

MAAFIN - VEHICLE REPOSSESSION DEPARTMENT:

Recovering vehicles that are used as collateral for loans but may be repossessed as a result of borrower default falls under the authority of the Vehicle Repossession agency. To effectively and morally recover these assets, this department works within legal and regulations. Determine whether accounts are past due, work with recovery agencies, and carry out the repossession procedure in accordance with all relevant legal requirements are among the main duties. Along with handling logistics, the agency also oversees safe storage and transportation of repossessed cars. It manages the appraisal and sale of these cars following repossession, either by direct sales or auctions, in order to recover unpaid loan balances.

MAAFIN – VIGILANCE DEPARTMENT:

Integrity, accountability, and transparency are maintained inside the organization by the Vigilance section. Prevention, detection, and management of misbehaviour, including fraud, corruption, and policy violations within the organization, constitute its principal role. This department regularly checks for compliance with legal and regulatory requirements through audits, investigations, and reviews. Furthermore, policies and procedures are created and put into effect to reduce risks, encourage moral behaviour, and create a honest and accountable culture among staff members.

MAAFIN CEO OFFICE DEPARTMENT:

In a financial institution, the "CEO Office" functions as the executive center, assisting the Chief Executive Officer with formulating policies, making strategic decisions, and managing the general management of the company. In order to ensure that it meets the institution's objectives and legal duties, this department coordinates high-level activity. It facilitates the CEO's participation in essential discussions and public relations initiatives by managing communication with the board of directors, customers, and important external partners. The CEO Office is essential to the institution's development and maintenance of its competitive advantage since it connects different departments and facilitates executive procedures.

MAAFIN-DIGITAL MARKETING DEPARTMENT:

An organization's digital marketing department is in charge of planning, carrying out, and managing the business's online marketing initiatives in order to meet defined business goals. To reach and interact with target audiences, this department uses a variety of digital channels, including websites, search engines, social media platforms, email, and mobile applications. In order to evaluate the effectiveness of campaigns, improve strategies, and guarantee a high return on investment (ROI), the department regularly examines data and analytics. All things considered, the department of Digital Marketing is essential to improving reputation, bringing in more leads, increasing revenue, and ultimately helping the company to develop.

MAAFIN-IT DEPARTMENT:

For a business to manage its technology infrastructure and make sure all digital systems and services run efficiently and securely, it needs an IT (information technology) department. In addition to programs and databases that support business operations, this department is in charge of managing technology, which includes computers, servers, and networking equipment. In addition, the IT department is crucial in putting new technological ideas into action, improving current systems, and guaranteeing commitment to industry standards and laws.

MAAFIN-MICRO FINANCE DEPARTMENT:

The department of microfinance is dedicated to offering financial services to small enterprises and individuals who do not have access to standard banking and financial systems. Typically, this department provides low-income or underserved areas with small loans, savings accounts, insurance, and other financial goods. By giving these clients the tools to launch or grow small companies, improve their quality of life, and become financially independent, the objective is to strengthen them.

MIS DEPARTMENT:

In order to collect, process, analyse, and distribute data that is essential to operations and decision-making, the Management Information Systems (MIS) department must effectively manage and make use of technology. In order to assist strategic planning, operational effectiveness, risk management, and regulatory compliance, this department is essential to having timely and accurate data available. To meet the unique demands of the organization, MIS specialists create and administer databases, software programs, and reporting systems that give staff and management access to important information for critical decision-making.

NCD MARKETING DEPARTMENT:

Selling and marketing non-convertible debentures (NCDs) to investors is the primary responsibility of the NCD Marketing division. Companies issue NCDs as financial instruments to raise long-term capital from the market. Creating marketing plans to draw in potential investors, both institutional and retail customers, is a critical function of this department. In order to effectively communicate the terms and benefits of NCD offers, NCD marketing experts conduct market conditions analysis, evaluate investor sentiment, and create campaign designs. They communicate closely with many departments, including finance, legal, and compliance, to guarantee that NCD issuances fulfill the funding requirements of the financial institution and conform to regulatory standards.

NGL -COLLECTION (SME) DEPARTMENT:

The department responsible for handling and recovering loans given to Small and Medium Enterprises (SMEs) that are not secured by gold collateral is known as the Non-Gold Loan Collection (SME) department. By using strong collection methods and attempts, this department plays an essential role in guaranteeing that SME borrowers repay their loans on schedule. To minimize delinquencies and possible losses, non-gold loan collection specialists work with borrowers to arrange repayment arrangements, keep an eye on due dates, and investigate past-due accounts.

NGL COLLECTION (TWL) DEPARTMENT:

The department responsible for handling and recovering loans allocated mainly for the purchase of two-wheeler vehicles, like motorbikes and scooters, is known as Non-Gold Loan Collection (Two-wheeler). Through systematic collection operations, this department plays a critical role in ensuring that borrowers repay their debts on schedule. In order to reduce delinquencies and possible losses, non-gold loan collection specialists work with borrowers to create repayment plans, track due dates, and follow up on past-due accounts.

NGL- PROPERTY AND VEHICLE SALE DEPARTMENT:

An organization's Non-Gold Loan-Property and Vehicle Sale department is in charge of managing and helping with the sale of homes and cars used as security for non-gold loans. From evaluating and valuing the assets to marketing and selling them, this department is in charge of the entire process. It manages discussions with possible buyers, makes ensuring that all legal and regulatory requirements are met, and seeks to maximize recovery amounts in order to minimize the organization's financial losses. The department also works closely with the legal, finance, and customer support departments to ensure that everything runs smoothly and that honesty and openness are maintained throughout the sales process.

NGL-COLLECTION (VL) DEPARTMENT:

The department responsible for handling and supervising the collection of payments for vehicle loans that are not secured by gold property is known as "Non-Gold Loan - Collection (Vehicle Loan)" inside the organization. Reminder notifications, repayment plans, and settlement discussions are just a few of the strategies this department takes to make sure borrowers repay their loans on time and in full. Along with managing past-due accounts, it also maintains legal requirements and maintains client relations while attempting to collect overdue sums. In order to reduce defaults and financial losses for the company, the team works in coordination with other departments, including legal and customer care, to handle issues and disputes.

NGL-RECOVERY DEPARTMENT:

Recovering debts that have fallen behind or defaulted is the responsibility of the Non-Gold Loan Recovery division. By employing successful recovery techniques and upholding a customer-focused mindset, this department plays a crucial part in reducing monetary losses. When necessary, non-gold debt recovery specialists will take their cases to court. They will also analyze the causes behind loan default and work with borrowers to reach settlements or payback schedules. To assess borrower situation, assess risks, and decide on the best line of action for debt recovery, they work closely with departments including legal, credit assessment, and collections.

PRODUCT AND STRATEGY DEPARTMENT:

This division is in charge of designing the company's product vision, developing strategic plans, and making sure that the offerings satisfy consumer needs and the organization's goals. To find opportunities and direct product innovation, it entails doing in-depth market research, competition analysis, and customer feedback gathering. In order to guarantee coordinated product development and go-to-market strategies, the team works closely with various departments, including marketing, sales, and engineering. The Product and Strategy department assists the company in maintaining its competitiveness, adapting to shifting market conditions, and achieving sustainable growth by establishing clear priorities, allocating resources effectively, and regularly assessing performance.

RISK MANAGEMENT DEPARTMENT:

A company's risk management department is responsible for locating, evaluating, and reducing any risks that might have a negative impact on the business's resources, profitability, or success. In order to manage and reduce the impact of different risks, such as financial, operational, strategic, and compliance risks, this department methodically evaluates them and creates plans to do so. To conduct risk assessments, put risk control measures in place, and make sure that regulations are followed, risk managers use tools and procedures. They also create emergency plans in case of emergencies or unexpected events. The Risk Management department is essential to compliance and regulatory commitment in addition to risk assessment. They keep an eye on any changes to regulations and make that the institution's policies and practices adhere to the most recent rules and laws.

SECRETARIAL DEPARTMENT:

The Secretarial department plays a vital role in a financial institution by guaranteeing commitment to legal and regulatory frameworks, while also promoting efficient communication and organizational procedures. This department's key responsibilities include organizing board meetings, creating policies, taking accurate minutes, and keeping company records up to date in accordance with legal standards. Additionally, secretarial employees is essential in communicating with regulatory bodies to make sure the institution conforms with all relevant rules and regulations. They also assist senior management by supervising the execution of company policies and procedures and serving as an intermediary for communication between executives and the board of directors.

SECURITY CONTROL DEPARTMENT:

The department in charge of security controls is in charge of protecting the physical assets, information systems, and general security position of the organization. The goal of this department is to safeguard the organization from several types of risks, including theft, fraud, cyberattacks, and unlawful access. To prevent and identify security breaches, security control specialists install and maintain security measures like as alarm systems, CCTV cameras, and access control systems. They create backup plans, carry out periodic risk assessments, and guarantee respect to industry rules and guidelines for data security. All things considered, by protecting the institution's assets and guaranteeing a secure environment for performing financial transactions, the Security Control department protecting the trust of stakeholders and customers.

SME LOAN DEPARTMENT:

The "SME Loan" department focuses in offering business loans and mortgage solutions to small and medium-sized businesses (SMEs) as financial solutions. This department is in charge of evaluating loan applications, determining each applicant's creditworthiness, and designing loan packages that are specifically customized for the requirements of small and medium-sized businesses. In order to facilitate the development, expansion, and operational stability of businesses, it provides a variety of financial products, such as working capital loans, equipment financing, and commercial mortgages. The department collaborates directly with business owners to understand their financial requirements, offer customized guidance, and guarantee that the loan conditions are advantageous and achievable. The SME Loan department serves a vital role in promoting entrepreneurship, increasing economic development, and improving the financial health of the SME sector by making capital easier to access.

Providing small and medium-sized enterprises with specialized financial products and services is the primary goal of the Small and Medium Enterprise (SME) section at financial institutions or organizations. By providing credit facilities, business loans, trade finance solutions, and advisory services, this specialist section plays a critical role in assisting the growth and development of SMEs. Typically, the SME department works closely with entrepreneurs and business owners to understand their specific finance requirements, evaluate their creditworthiness, and design appropriate financing plans that support working capital management, investment in new initiatives, and business expansion.

CHAPTER-II

REVIEW OF LITERATURE & THEORETICAL FRAMEWORK

2.1 REVIEW OF LITERATURE

Dr Tanmaya Kumar Pradhan (2012) The banks were forced to raise PLR and PLR-related interest rates due to a higher percentage of NPA. This will draw in high-risk borrowers, which could lead to a future increase in the number of nonperforming advances. The majority of defaulters are considered to be large debtors. One of the primary causes of non-performing assets (NPAs) is mismanagement or fund diversion.

Dr. Tanmaya Kumar Pradhan (2013) The gross non-performing assets (NPAs) of the State Bank Group show an upward tendency. However, the gross non-performing assets (NPAs) of foreign banks show a declining trend till 2009. Technology, markets, and telecommunications advancements have altered how banks gather, assess, and manage risk. The 1998 Accord's rigid and basic regulations are becoming less applicable as risk management grows more complex, necessitating the need for new capital frameworks and risk management techniques. The Basel-II framework is an indicator approach to risk management that addresses these issues. The research relies on secondary data. The study's scope is restricted to data spanning five years.

Ms. Asha singh (2013) In India, one of the main issues facing banks is non-performing assets.The best measure of the state of the banking sector is net present assets (NPA). NPAs are an indicator of bank performance. The main markers of credit risk are NPAs. NPAs will always be a problem for the banking sector. Therefore, a bank's ability to succeed hinges on its NPA management strategies. In comparison to private sector banks, public sector banks have performed far better in terms of financial operations. The performance of the Public Sector Banks has likewise been fairly strong. However, the rising percentage of non-performing assets is the only issue facing public sector banks these days. The Public Sector Banks' nonperforming assets have been steadily rising every year.

Sakshi Jhamb., H.V. Jhamb (2013) Since the start of the banking reforms in 1992, containment of non-performing assets (NPAs) has been a priority. Every nationalized bank has been working to keep the amount of non-performing assets (NPAs) under control and lessen the burden on their earnings. Although every bank has made an effort to address this issue, there is ongoing worry due to the size of the performing asset slippage into the non-performing assets category. Even while the nationalized banks' recent recoveries in non-performing assets (NPA) have been substantial, there has also been a notable amount of new accretion during that time. As a result, the amount of non-performing assets (NPAs) has increased, negating any progress that may have been made due to the constant influx of new NPAs and the periodic tightening of RBI regulations.

Dr. Tanmaya Kumar Pradhan (2013) The on- going reforms process and the agenda for third reforms will focus mainly to make the banking sector reforms viable and efficient so that it could contribute to enhance the competitiveness of the real economy and face the challenges of an increasingly integrated global financial architecture.

B. Selvarajan., G. Vadivalagan (2013) The issue of non-performing assets (NPAs) affects not just Indian public sector banks but the whole banking system as a whole. A significant amount of bad debts in Indian banks resulted from loans made to the priority sector at the behest of officials and politicians. Had banks supervised their loans more efficiently, the issue of bad debt might have been reduced, if not completely eradicated. The purpose of this study is to provide light on the nature and requirement of the non-performing assets held by Indian Bank in Tamil Nadu. identifying non-performing assets (NPAs) under priority sector lending in Indian banks, comparing them to public sector banks, and offering recommendations that would help prevent NPAs in the future.

Jyotsna Khaitan (2016) India started a liberalization program in the 1990s, granting licenses to a select group of private sector banks that became known as New Generation tech-savvy banks. After that, the three categories of banks—public, private, and foreign—all made significant contributions to the banking industry's explosive expansion. One of the main issues that Indian banks are dealing with is the large amount of non-performing assets (NPA). The profitability and effectiveness of the banks are severely impacted by the rising level of NPAs. This study examines several strategies that can help reduce banks' non-performing assets (NPAs).

Dr. Ravindra Tripathi., Aamir Aijaz (2017) This paper is divided into four sections: the first section provides details about NPA ownership; the second section provides details about NPA category; the third section discusses the recovery mechanism of NPA; and the last section displays details about CRAR as maintained by banks. The purpose of this paper is to analyze the current situation of nonperforming assets in the

Indian banking industry and to demonstrate the effectiveness of the capital to risk weighted asset guidelines of Basel on the reduction of NPA in the banking industry.

Dr. Raj Kumar Mittal., Ms. Deeksha Suneja (2017) The stability and effectiveness of the banking industry are critical to the expansion of the economy. The amount of non-performing assets (NPAs) is the primary indicator of the banking sector's soundness. Bank profitability is directly impacted by non-performing assets in terms of their financial performance. It serves as a gauge for the level of asset utilization and managerial efficacy by indicating how well a bank is utilizing all of its resources. The profitability of banks is impacted by non-performing assets (NPAs) due to increased capital costs and heightened risk perception, which in turn impacts the banks' liquidity situation. This essay aims to assess the amount of non-performing assets (NPAs) in India's banking industry before examining the reasons for the rising NPA rate.

Dr. Hiral Desai., Mitesh Patel (2017) This article aims to investigate the guidelines or standards for identifying non-performing assets (NPAs), evaluate the performance of public and private sector banks, assess the performance of these institutions, and determine the market share and growth rate of specific banks chosen for analysis. For the purposes of the study, the banks with the highest net present value (NPA) as of March 31, 2015 have been chosen from both sectors. Research on this subject is necessary due to the serious issue of banks not repaying loans, which puts a strain on them known as nonperforming assets.

Dr Irfan Ahmad., Nisha Khan (2019) Since the banking industry is the most significant sector of the Indian economy, it contributes significantly to economic growth by lending money and making advances to a variety of industries. In India, loans are provided to the agricultural, industrial, and service sectors by both public and private sector banks. SBI is the leading public sector bank in this regard, while ICICI Bank is the leading private sector bank, handling all banking functions. However, a significant obstacle to the expansion of the Indian banking industry nowadays is the rising trend in non-performing assets (NPA).

Sunil B. Kapadia., Venu V. Madhav (2019) Policymakers, economists, academics, and other stakeholders have been paying attention to the growing amount of non-performing assets (NPAs) in the Indian banking industry. More specifically, the Reserve Bank of India and the Government have received worrying signals during the past 10 years due to the increase in bank non-performing assets. In addition to lending to the priority sector, some studies point to the 2008 global financial crisis as one of the main causes of the enormous and phenomenal increase in non-performing assets (NPAs). In addition to increasing NPAs and decreasing bank profitability, the requirement for provisions and excessive funding costs have also contributed to this trend. Therefore, poor fund recycling as a result of inadequate credit deployment is one of the consequences of non-performing assets (NPAs).

Varuna Agarwala., Nidhi Agarwala (2019) The best measure of a nation's banking system stability is the amount of non-performing assets (NPAs). This study aims to investigate the individual bank contributions to the industry's non-performing assets (NPA) by examining the NPA's growth trajectory from 2010 to 2017. Additionally, the study is designed to examine the impact on the banking industry in this regard of various bank groupings, including State Bank of India (SBI) and its affiliates, nationalized banks, and private sector banks.

Amjad Ali, Dr. Praveen Singh (2020) A healthy banking sector is essential to the growth of other industries because it provides loans that allow businesses to operate profitably. But today's banking industry is weighed down by an abundance of Non-Performing Assets (NPAs), which affect a bank's reputation in addition to its profitability and liquidity. Several sectors of the economy, including the market, manufacturing, administration, and agribusiness, have been included in the credit stream. However, there has also been a rise in non-performing assets (NPAs) in the Indian banking industry. NPA has a significant impact on the net value and profitability of banks.

Dr. Ravi B., Basavaraja Eliganur., (2021) This study looks for factors that influence non-performing assets (NPAs) in the Indian financial sector before they become bad loans. When an asset stops making money from interest on the principal loan amount and loan repayment, it is referred to as a non-performing asset (NPA). When a borrower wilfully misses a loan payment or is unable to repay the loan because of unfavourable economic circumstances impacting his firm, the result is non-performing assets. For a bank, this implies that the loan asset might not be recovered in whole or might only be recovered in part. The bank's overall effectiveness in converting deposits into loans and recovering those loans is reflected in its non-performing assets.

L. Prabha, Janapriya. K, Deekshana. K & Akarshana. G (2021) An organization that takes deposits, issues loans, processes payments, and offers financial services might be referred to as a bank. A bank is a type of financial intermediary used for lending, trading, transferring, and safeguarding funds. One of the main functions of banks is to facilitate the transfer of capital from those who have it—investors and depositors—to those who need it—loans for individuals or enterprises. A bank serves as a conduit for clients with surplus capital and those with shortfall capital. The term "NPA" describes advances and loans that have accumulated arrears over a prolonged period of time. We can better grasp the quantity of non-performing assets and evaluate each bank's liquidity status by comparing the non-performing assets of public and private sector banks.

P. Sindhu, M. Sivakumar (2022) The financial services industry is largely composed of the banking industry. Then, banks and other financial organizations have a significant role to play in economic planning, helping to set specified objectives and allocate a certain amount of funding that go towards forming the government's economic strategy. The expansion of the economy requires the financial system. A notable and noteworthy improvement in public sector banks in India is the assets quality ratios to employing the financial performance public sector banks supervision criterion of the banking sector. The CAMEL Rating System in Asset Quality parameters was one of the techniques employed in this investigation. Public sector banks' financial performance in COVID-19 is affected by a number of NPA problems in the current economic climate.

Dr. Provinder kumar., Dr. Dinesh kumar (2023) From 2010 to 2021, this research study offers a thorough analysis of the trends and difficulties related to non-performing assets (NPAs) in the Indian banking industry.

2.2 THEORETICAL FRAMEWORK

NON-PERFORMING ASSETS (NPA)

Non-Performing Assets (NPAs), also referred to as bad loans, are advances or loans from banks or non-banking financial organizations (NBFCs) that are no longer profitable for the lender. Put differently, when a borrower doesn't make principal and interest payments on time for a predetermined amount of time, usually 90 days or longer, the asset is said to be non-performing. Because non-performing assets (NPAs) suggest possible losses and have an effect on a lender's profitability, capital sufficiency, and general financial health, they are a major source of concern for financial institutions. In a limited context, an asset that does not directly contribute to business earnings or provide positive returns is considered a non-performing asset. This could be suitable in terms of advances and loans. Other assets, like cash balances, on hand, on the other hand, are unquestionably necessary for corporate operations but may not immediately generate a return. It could be a serious problem that has an impact on the global financial industry. Banks and other financial institutions may find it difficult to manage these nonperforming assets when loans and advances default.

SARFEASI Act, 2002 defined NPA as “an asset or account of borrower, which has been classified by a bank or financial institutions as substandard, doubtful or loss assets in accordance with the direction issued the Reserve Bank of India”.

As per RBI guidelines advances are classified into performing and nonperforming advances (NPAs). NPAs are further classified into substandard, doubtful and loss assets based on the criteria stipulated by RBI.

Loans may become non-performing assets (NPAs) for a number of causes, such as borrower defaults brought on by fraud, business bankruptcies, economic downturns, or financial suffering. Financial institutions must identify non-performing loans as such and make provisions for possible losses when they occur. To maintain accountability and transparency in the banking industry, nonperforming assets (NPAs) are subject to stringent reporting and disclosure requirements and are closely watched by regulatory bodies. Financial institution’s view managing non-performing assets (NPAs) as a crucial component of risk management. To address and reduce NPA levels, a number of strategies are used, such as loan write-offs, recovery initiatives, loan restructuring, and tightening underwriting criteria. Maintaining the stability and resilience of financial institutions, as well as protecting depositor interests and investor trust in the banking system, depend on the prompt detection and resolution of nonperforming assets (NPAs). The RBI changed and tightened the standards for recognizing non-performing assets (NPAs) in 2004 after they had been rather lenient in 2001.

Classification of Non-Performing Assets

Loans or advances that are delinquent on principle or interest payments or that are in default are referred to as non-performing assets (NPAs). NPAs come in a variety of forms and can be grouped according to a number of different factors. These are a few typical kinds:

1. Standard Assets:

standard assets are those assets which do not disclosed any problem and which does not carry more than normal risk attached to business. Such an asset should not be NPA.

2.Sub-standard Assets:

An asset is classified as sub-standard if it remains NPA for a period less than or equal to 12 months, in such cases current net worth of borrower and guarantor or market value of security is not enough to ensure recovery of dues to the bank in full. There is distinct possibility of sustaining loss if deficiencies are not corrected.

3.Doubtful Assets:

An asset is classified as doubtful; if it has remained NPA for more than 12 months. Rescheduling does not entitle bank to upgrade the assets. It has all the weaknesses inherent as that classification as sub-standard assets which added characteristics that the weakness makes collection or liquidation in full.

4.Loss Assets:

Loss assets are those where loss has been identified by bank or internal and external auditors or by the co-operation department or by the Reserve Bank of India inspection but amount has not been written off wholly or partly. An asset is considered a loss asset when it is “uncollectible” or has such little value that its continuance as a bankable asset is not suggested. However, some recovery value may be left in it as the asset has not been written off wholly or in parts.

Types of NPAs

1)Gross NPA:

According to the Reserve Bank of India's standards, the total amount of all loan assets that have been declared as non-performing is referred to as gross non-performing assets (NPA). Prior to account for any payments or write-offs, this is the situation. The total health of a financial institution's loan portfolio is represented by gross nonperforming assets (NPA). It includes (Substandard + Doubtful + Loss) assets. The sum of the gross non-performing assets divided by the total assets gives the gross NPA ratio, also known as the GNPA ratio.

Gross Non-Performing Asset Ratio = Total Gross NPAs / Total Assets

Gross NPA% = (Principle balance of NPA accounts / AUM of all accounts*100)

2)Net NPA:

Net non-performing assets (NPAs) are calculated as gross nonperforming assets (NPAs) less any written-off amounts and allowances. This number provides a more realistic picture of how much nonperforming assets actually impact on a financial organization. The value of provisions is deducted from the total gross non-performing assets (NPAs) to determine the net NPA. The actual losses a bank has suffered on its NPAs are represented by the net NPA. A considerable amount of losses on a bank's non-performing assets (NPAs) is indicated by a high net NPA. This can indicate that the bank is having financial difficulties.

Net Non-Performing Asset = Total Gross NPAs – Provisions

Net NPA %= (Principle balance of NPA account- provision)/ (AUM of all accounts-Provision on all accounts)) *100

3)Cross NPA:

When a customer has availed more than one loan from an institution, whether in the same vertical or different verticals, if one of the accounts becomes a non-performing asset (NPA), all other accounts must be treated as such. The NPA category and percentage of provision for these accounts will be the same as of that of the NPA account. The accounts will be reclassified as ‘standard’ only when the total overdue in all NPA accounts is cleared by the customers.

For instance, if a customer has availed a vehicle loan, a mortgage loan, and a two-wheeler loan, and the vehicle loan becomes NPA while the rest remain standard, all accounts must be treated as NPA. However, if the customer later clears all dues in the vehicle loan and has no dues in the other two loans, then all accounts can be classified as ‘standard’.

Income derecognition of NPA assets:

Once an account is classified as NPA, the entire interest accrued and credited to income account in the past periods, must be reversed to the extent it remains unrealized. It is clarified that if loans with moratorium on payment of interest (permitted at the time of sanction of the loan) become NPA after the moratorium period is over, the capitalized interest corresponding to the interest accrued during such moratorium period need not be reversed.

Non-banking financial firms (NBFCs) and other financial institutions stop to recognize interest income on loans or assets that have been chosen as non-performing assets (NPAs). This procedure is known as income derecognition of NPAs. The institution fails to receive interest income on an asset or loan when it becomes non-performing, which indicates the borrower has not made payments for a predetermined amount of time, usually 90 days or more. Actually, they conform to regulatory requirements and prudential standards by changing the way they treat the income recognition to reflect the reduced or halted recognition. By accounting for the possible loss of income resulting from borrower default or non-payment, this adjustment guarantees that the financial statements fairly represent the institution's actual financial situation.

Provisions:

- A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable statement can be made. These are reviewed at each Balance sheet data and adjusted to reflect the current management estimates.
- Provisioning Policy for gold loan and other portfolio loans secured loans are classified/ provided for as per management’s best estimates, subject to minimum provision required as per Non-Banking Financial Company-

systematically important non-deposit taking company and Deposit taking company (Reserve Bank) Directions,2016. The provision made are as follows:

Gold and other loans: -

Table 2.1 Provisioning Policy of Asset Classification

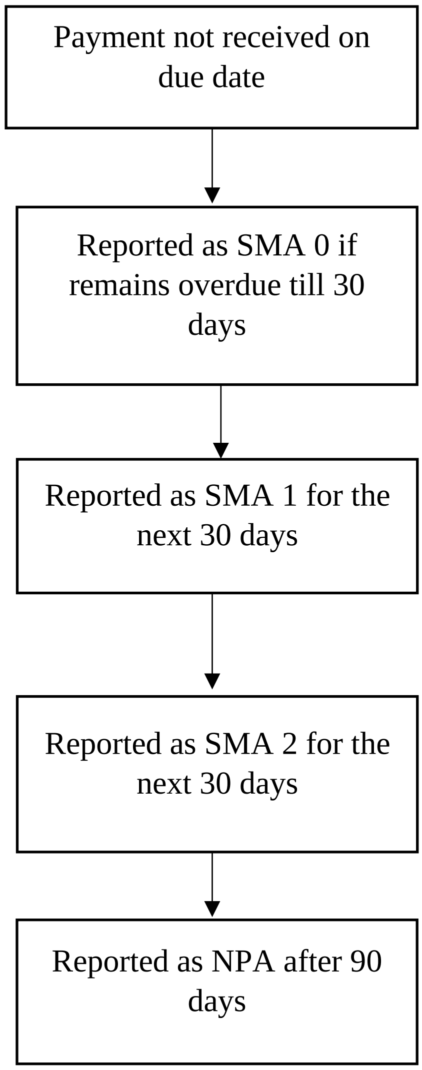
Asset Classification	Provisioning Policy
Standard Assets	0.4%
Sub-standard Assets	10% of outstanding
Doubtful Assets	100% of unsecured portion
Doubtful Assets Up to one year	100% of unsecured portion+20% of secured portion
Doubtful Assets one to three years	100% of unsecured portion+30% of secured portion
Doubtful Assets more than three years	100% of unsecured portion+50% of secured portion
Loss Assets	100%

Provision coverage ratio

The percentage of money that a bank reserves for losses brought on by bad debts is known as the Provisioning Coverage Ratio, or PCR. In order to protect themselves against losses in the event that NPAs start to rise more quickly, banks may find it advantageous to have a high PCR. Banks and other financial institutions use the Provision Coverage Ratio (PCR) as a financial Data to evaluate their ability to cover possible losses from non-performing assets (NPAs), or bad loans. It measures how much the institution's savings can use to offset the losses it expects from nonperforming loans. The entire amount of NPAs divided by the total amount of provisions (specific and general) held by the bank yields the PCR. A higher PCR serves as an indicator of the institution's financial stability and resilience to credit risk, suggesting a higher degree of willingness to absorb possible losses from nonperforming assets.

Provision Coverage Ratio = Total provisions / Gross NPAs

Figure 2.1 NPA classification and reporting



Before a loan account turns into an NPA, banks are required to identify incipient stress in the account by creating three sub- categories under the Special Mentioned Account (SMA) category as given in the table below:

2.2 Table shows sub- categories under the Special Mentioned Account (SMA) category

Special Mention Account	Principal/interest payment & partly/wholly due
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days
NPA	> 90 days

All loans, including retail loans, are subject to the SMA classification guidelines mentioned above, regardless of the lending institution's level of exposure. Regardless of when these processes are run, the lending institutions' day-end procedures for the due date will flag the borrower accounts as past due. In a similar vein, the day-end process for the applicable day will include the classification of borrower accounts as SMA or NPA; the SMA or NPA classification date will be the calendar date for which the day-end process is executed. Stated differently, the asset categorization status of an account at the close of that calendar year will be reflected in the SMA/NPA date.

“Non-Performing Asset” (NPA) for applicable NBFCs shall mean:

(i) an asset, in respect of which, interest has remained overdue for a period of more than 180 days.

(ii) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of more than 180 days or on which interest amount remained overdue for a period of more than 180 days.

(iii) a demand or call loan, which remained overdue for a period of more than 180 days from the date of demand or call or on which interest amount remained overdue for a period of more than 180 days.

(iv) a bill which remains overdue for a period of more than 180 days.

(v) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short-term loans/advances, which facility remained overdue for a period of more than 180 days.

(vi) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of more than 180 days.

(vii) the lease rental and hire purchase instalment, which has become overdue for a period of more than 180 days.

(viii) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower/ beneficiary when any of the above credit facilities becomes nonperforming asset. Provided that in the case of lease and hire purchase transactions, an applicable NBFC shall classify each such account on the basis of its record of recovery

Causes for Non-Performing Assets

A strong banking industry is necessary for an economic boom. The banking industry's downfall could negatively affect other industries. The challenges of an open economy now confront the banking sector in India, which was functioning in a closed market. One of the primary reasons for non-performing assets (NPAs) in the banking industry is the directed loans framework, which mandates commercial banks to allocate 40% of their credit to priority industries. Currently, around 7% of Gross Non-Performing Assets (NPAs) are held in "hard-core" dubious and loss assets that have been acquired over time.

The factors for NPA are

1) Internal Factors and

2) External Factors

1) Internal factors:

- Money borrowed for a specific reason isn't used for that same
- A poor lending process can be attributed to three main criteria that commercial banks follow to: the principles of safety, liquidity, and profitability. According to the principle of safety, the borrower is able to repay the loan. As a result, the lender must take great care to guarantee that the venture or business for which a loan is requested is sound and that the borrower is capable of carrying it out effectively; additionally, the borrower must be an honest individual.

- Inadequate technology: It is impossible to make market-driven judgments in real time due to inadequate technology and management information systems. Therefore, all bank branches need to be updated to reflect the present situation.
- Inadequate SWOT analysis: An additional factor contributing to the rise of non-performing assets (NPAs) is an ineffective SWOT analysis. Therefore, before funding a project, the bank should consider its profitability, viability, and long-term acceptability.
- Inadequate credit appraisal system: As a result of inadequate credit appraisal, the bank extends advances to individuals who are unable to pay them back. As a result, the bank's non-performing assets rise. Thus, the bank needs to keep up a suitable method for credit appraisal.
- Deficits in management: The banker should always choose borrowers with great care and should need physical assets as security to protect its interests. A banker should adhere to the principle of risk diversification, which implies that they shouldn't limit their advances to a small number of large companies or concentrate them in a small number of cities or industries.
- Lack of regular follow-up: variations in spot visits also lead to an increase in non-performing assets (NPAs), and irregular bank official visits to customer locations result in lower interest and principal collection.
- Inaccurate and incomplete documentation: The borrowers' submitted paperwork should be thoroughly verified by the officials.

2) External factors:

- Ineffective recovery tribunal: The government has established a number of recovery tribunals to assist in the recovery of loans and advances. However, because of their carelessness and incapacity to carry out their duties, the bank bears the consequences of non-recovery, which lowers their profitability and liquidity.
- Planned ignores: The worst-affected banks by these failures are the Public Sector Banks in India. It is a payback obligation default. For example, Kingfisher Airlines Ltd. is only one of the numerous blatant defaulters. Others include Rank Industries Ltd., Beta, Naphthol, Winsome Diamonds & Jewellery Ltd., and XL Energy Ltd.

- Natural disasters: This is the contributing cause that is dangerously raising PSB NPAs. Our farmers mostly rely on rainfall to grow their crops. As a result of rainfall abnormalities, they are unable to reach the required production level and are consequently unable to pay back the loans. Thus, in order for the banks to pay back such loans, they had to make significant provisions.
- Industrial illness: Due to improper project management, poor management, a lack of resources, outdated technology, and frequent policy changes by the government, these industries become sick, which lowers loan recovery rates for the banks that finance them and decreases their profit and liquidity.
- Lack of demand: Indian business owners began producing their products too soon, building them high since they were unable to forecast the need for them. Consequently, they are unable to repay the funds they borrow in order to carry out these operations. As a result, the banks must set aside money and record the portion that is not recovered as NPAs.

Effects of NPA:

- Impact on Bank Profitability: When non-performing assets (NPAs) stop bringing in money for the banks, their net interest income would decline. The banks' net income will decline as long as NPAs continue to rise.
- Increase in bank provisions: To guarantee correct provisioning and transparency in the published accounts, RBI has implemented prudential guidelines for income recognition and asset classification for Indian banks and financial institutions. Banks are required to make provisions for non-performing assets in accordance with the prudential standards set forth by the RBI. Banks base their provisions on the assets' designation as non-performing assets.
- Liquidity position: Non-performing assets (NPAs) have an impact on banks' liquidity positions, which leads to a mismatch between assets and liquidity and forces the banks to issue capital at a significant expense. The rising NPAs could cause liquidity problems, which could result in a depositor run on the bank.
- Impact on MSMEs: Because banks were hesitant to lend to small businesses, loans were mostly disbursed to large corporations. Therefore, MSME's struggle with a shortage of bank funding and are forced to borrow money from other sources, which raises their cost of capital.

- Confidence among shareholders: Generally, investors want to increase the value of their holdings through larger dividends and market capitalization, which is only achievable when the bank reports big profits from improved operations. The bank's operations and profits are expected to suffer from the elevated NPA level, depriving shareholders of a market return on their money and occasionally devaluing their assets.
- Governmental burden: Given that the government owns a large portion of the stock in public sector banks, it is required to supply equity capital in the event that the banks face difficulties. Because PSBs are having difficulties due to an increase in NPAs, the government must give the banks money.
- Increased cost of capital: As a result of banks now needing to set aside more money for the efficient functioning of their businesses, there will be an increase in the cost of capital. The banks will raise interest rates in order to raise revenue and cover costs.
- Reduced productivity: Bank assets are the loans that the banks make. The bank's assets (NPAs) will no longer provide income, hence there will be a decline in income, which will cause the assets' productivity to decline.
- Asset (Credit) expansion: As a result of the higher NPAs, banks are less able to lend money, which lowers interest revenue and puts pressure on the recycling of funds. It reduces the money supply, which could cause the economy to slow down.
- Public confidence: Higher level NPAs have a significant negative impact on the banking system's credibility since they cause the public to lose faith in the stability of the banking system.
- The final cost to society will come from this: consumers will now need to save more money in order to pay higher interest. The increased cost of capital will result in slower growth and higher inflation.

Impact of NPA on Banks, Borrowers, and the Economy

Challenges faced by Banks due to NPAs

- Monetary Losses: Non-performing assets (NPAs) particularly damage banks' cash reserves. Banks suffer financial losses when borrowers default on their loans because they are unable to recover the principal and interest.

- Pressure on Provisioning: Banks are required by law to make provisions for non-performing assets (NPAs). Larger provisions may result from higher NPAs, which could put pressure on the bank's finances. It's similar to putting money aside for those expected unexpected events.
- Problems with Liquidity: Non-performing assets (NPAs) take up a large portion of a bank's reserves, making it harder for them to lend money and satisfy the liquidity needs of their clients. This pressure on funding may also make it more difficult for the bank to make money and expand.
- Concerns about Credit Quality: NPAs indicate declining asset quality, which might cause lenders to become suspicious. There could be subsequent credit rating downgrades, which would raise the bank's borrowing costs and decrease investor trust. It suggests an adverse impact that could be difficult to remove from your credit history.
- Esteem at Threat: High NPAs have the potential to damage a bank's brand and decrease client confidence. People may remove their deposits and utilize other banks if they lose faith in a bank's capacity to collect loans. The bank's financial situation may be further weakened as a result of a cumulative impact.

Challenges faced by Borrowers due to NPAs

- Creditworthiness: A borrower's creditworthiness and credit score are negatively impacted when their loan becomes a non-performing asset. They will find it difficult to obtain credit or loans in the future as a result. Their access to financial resources is restricted as a result of lenders growing concerned and maybe considering them as high-risk borrowers.
- Legal Effects: If a borrower default on a loan, the bank may file a lawsuit in order to recover the unpaid balance. Legal action may result from this, increasing the borrower's financial load and damaging their credibility and reputation.
- Asset Seizure: In order to recover the remaining loan balance, banks may, under certain conditions, be able acquire and sell collateral provided by the borrower. This may lead to the borrower suffering large monetary losses in the event that valued assets are destroyed.

- Reduced Financial Options: Borrowers who have non-performing assets (NPAs) may find it difficult to get new funding. Their capacity to satisfy their personal or business's financial needs may be impacted by their unwillingness to secure additional financing or credit facilities.
- Negative Credit History: The borrower's credit history contains details of the loan's non-performing assets (NPAs), which may have consequences that last. When determining creditworthiness, banks and other financial institutions, in addition to other lenders, have access to this data. Credit history NPAs can result in more expensive interest rates, stricter guidelines for borrowing money, and fewer possibilities.

Challenges faced by the economy due to NPAs

- Financial Stability: Banks' capacity to lend money and promote economic growth is reduced by high levels of non-performing assets.
- Credit Crunch: Non-performing assets limit credit availability, which makes it challenging for people and companies to get loans for personal, business, or investment purposes.
- Capital Loss: Because non-performing assets force banks to allocate resources and make provisions for loan losses, non-performing assets weaken their capital bases. This may result in a shortfall of capital, requiring the government's help or share reduction to recover the capital.
- Economic Productivity: Businesses' ability to operate is limited by nonperforming assets. As they struggle to pay back loans, this results in business closures, employment losses, and decreased output. Growth and overall economic output are so effected.
- Investor sentiment and Confidence: High NPA numbers make investors less confident in the banking industry and the economy as a whole. Economic development may be impacted if a result of a decline in both local and foreign investment.
- Financial consequences: Because NPAs may need loans or other forms of financial support to stabilize banks, they put an impact on government coffers. This restricts the government's capacity to set away money for other developmental goals and increases the stress on the financial budget.

Role of Regulatory Authorities in NPA Management

- Setting guidelines for loan classification and provisioning: Banks and other financial institutions might be subject to regulatory bodies that establish guidelines for loan categorization and the amount of NPA provisions that they must make. This measure is expected to mitigate the risk of loan defaults and prepare banks for potential problems.
- Tracking NPA levels: Regulators are able to keep an eye on bank NPA levels as well as react appropriately when issues arise. Banks may be required to decrease their non-performing assets or strengthen their provisions for non-performing assets.
- Providing direction and assistance: When it comes to managing nonperforming assets (NPAs), regulatory bodies can offer banks and other financial institutions direction and assistance. This could involve offering technical support, creating training education programs, and communicating best practices information.

Preventive Measures to Avoid Non-Performing Assets (NPA)

- The Significance of Credit Risk Assessment and Due Diligence: Credit risk assessment assesses the probability of loan default by a borrower. But before providing a loan, banks and other lenders should perform significant credit risk analyses and due diligence. They could be able to identify those borrowers who are more sensitive to default and avoid clear of lending to them because of this.
- Efficient Loan Recovery and Monitoring Systems: Banks and other lenders need to keep a close eye on the borrower's repayment progress once the loan has been approved. By doing this, they might be able identify possible issues before they become non-performing assets. In cases where a borrower faces difficulties repaying a loan, banks and other lenders have to step in early. This may involve rearranging the loan terms or offering financial advice to the borrower.
- Enhancing Risk Management Procedures in the Financial Sector: Nonperforming assets (NPAs) should be tracked and reported by banks and other lenders. They might be able recognize tendencies and take action to fix any issues as a result.

- Regular review and follow up: Review loan accounts on a regular basis and follow up with borrowers to make sure they are repaying their debts on time and to deal with any new concerns that may arise.
- Training and capacity building: To improve their ability to recognize and handle possible non-performing assets (NPAs), staff members involved with credit assessment, risk management, and recovery procedures should receive training.
- Loan structuring and documentation: Make sure that loan agreements are clear, enforceable by law, and contain specific details and circumstances, such as payback schedules and default penalties.
- Monitoring and early warning system: Provide early warning systems to identify signs of financial difficulties or defaults, as well as procedures for periodically checking on the financial health of borrowers.

various steps taken to tackle NPAs

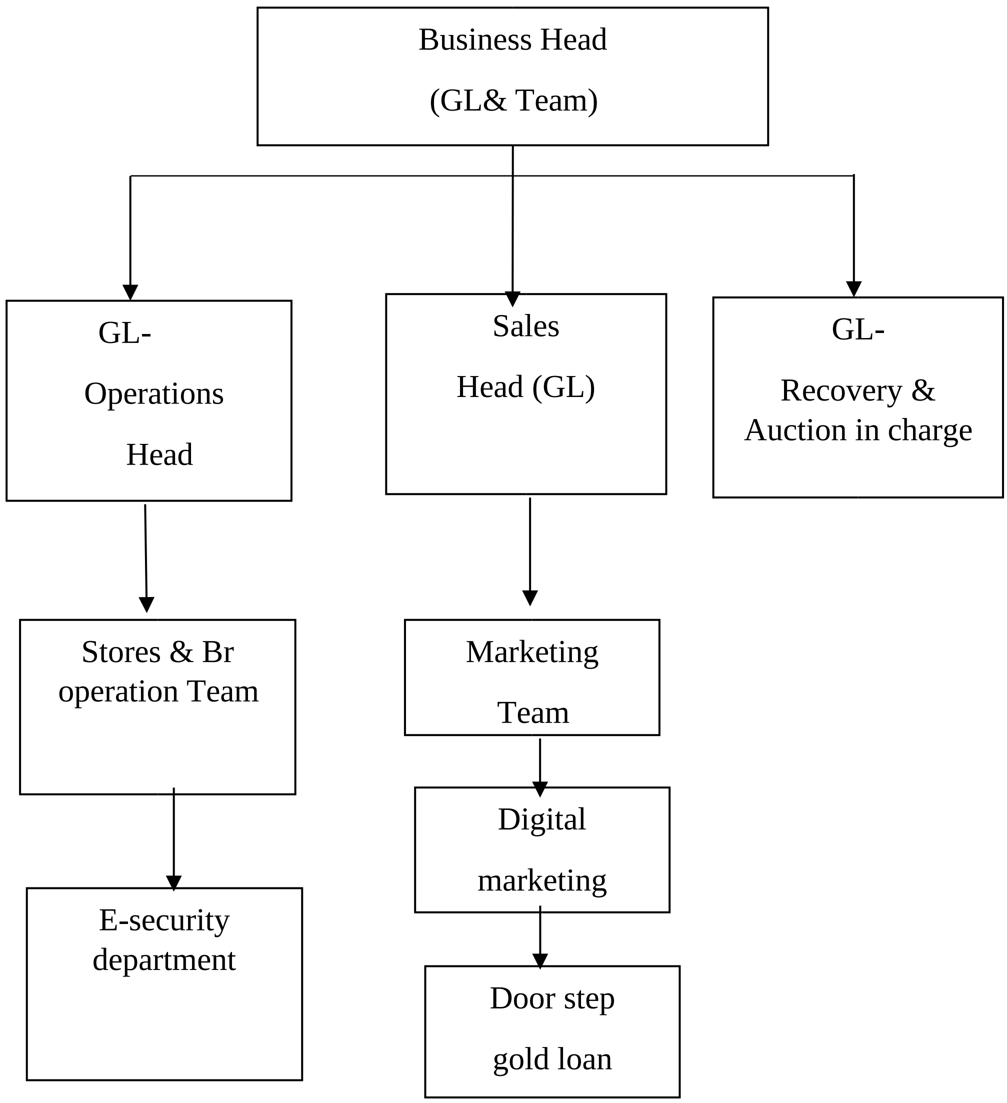
When an account becomes NPA there are mainly two methods are taken:

1) Normal Recovery/Collection

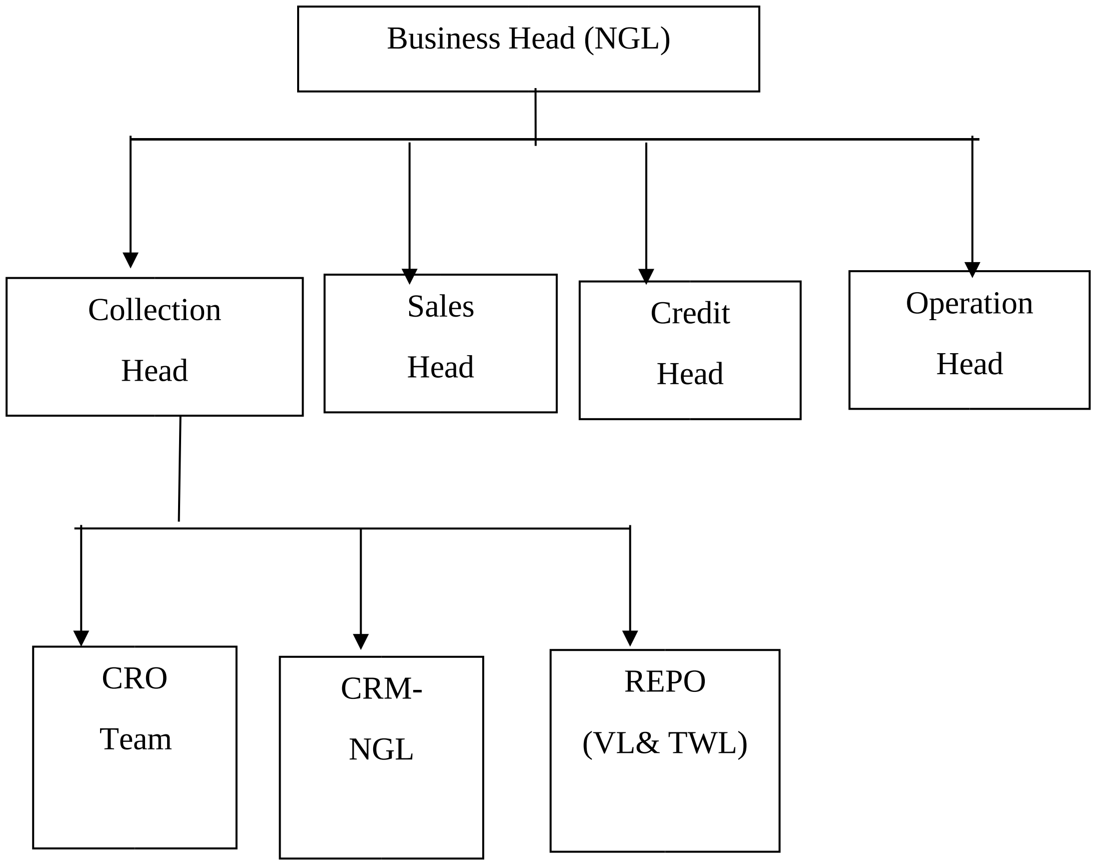
Banks start a methodical procedure of recovery collection when an account turns into a Non-Performing Asset (NPA) in order to recover the outstanding sums. Finding and categorizing the NPA according to the length of non-payment is the first step in this process. Reminders and notices are sent to the borrower as part of the initial recovery efforts. Next, discussions are held to determine the reasons for the default and to discuss possible repayment schedules. The bank may give a one-time settlement or restructure the loan if the borrower is cooperative. If these efforts are unsuccessful, legal action is taken, either by contacting Debt Recovery Tribunals (DRTs) for accelerated legal procedure or by using the SARFAESI Act for asset seizure and sale. In order to lessen their NPA burden, banks may also sell nonperforming assets (NPAs) to asset reconstruction companies (ARCs) or on the secondary market. Loans may be officially written off in situations where recovery appears improbable, even though efforts are still made off the balance sheet. Banks keep an eye on the borrower's financial situation at all times, and they might even hire recovery agents to help. This comprehensive strategy seeks to optimize recovery while striking a balance between aggressive enforcement and fair borrower accommodations.

When an account becomes a Non-Performing Asset (NPA), financial institutions initiate a systematic procedure for recovering unpaid balances. The process usually starts with the borrower and the institution's recovery officers speaking directly with one other in an effort to determine the reasons for the default and work out acceptable repayment schedules. In addition, for the purpose to strengthen the recovery effort, legal actions including sending notifications or requesting collateral pledges may be taken.

2.2 Structure of Gold Loan department:



2.3 Structure of Non-Gold Loan Departments:



Business Head:

The position is varied and essential to maintaining the financial stability and expansion of the financial institution as the business head managing both gold and non-gold loans inside the organization. The goal of gold loans is to use the intrinsic value of real gold as collateral, making sure that thorough assessment procedures are followed to precisely determine the quantity and quality of gold. This involves managing loan-to-value ratios, establishing competitive interest rates, and supervising the safe storage of gold assets. The CEO of the company must also manage changes in the price of gold and the legal regulations related to gold lending activities.

On the other hand, handling non-gold loans encompasses a wider variety of credit tools, such as home loans, business loans, and personal loans. This necessitates a thorough comprehension of industry trends, consumer demands across many industries, and credit risk assessment. To reduce non-performing assets (NPAs), the business head creates risk management frameworks, determines lending policies, and tracks portfolio performance. Through competitive loan terms and effective service delivery, they work closely with credit analysts, relationship managers, and legal teams to ensure regulatory compliance and improve client happiness.

In general, the business head is crucial in maintaining a balance between the risk and profitability of loan portfolios containing both gold and non-gold, leading strategic initiatives to maximize asset quality, maintaining customers, and organizational expansion in a constantly changing financial environment.

Collection Head:

In addition to managing non-gold loans as well as gold loans within a financial institution, the function of collection head is primarily focused on making sure that debts are efficiently recovered while maintaining regulatory compliance and client relations. The collection head for gold loans manages proced5ures to ensure timely repayments by utilizing the actual gold collateral. This entails managing asset assessments when working with appraisal teams, keeping an eye on loan accounts, and immediately communicating with borrowers on repayment plans.

The collection head uses a variety of strategies to reduce delinquencies and retrieve unpaid balances for loans that aren't made of gold. This entails putting in place strict collection procedures, sending out digital platforms to remind debtors to pay, and interacting with past-due debtors to arrange settlements or payback agreements. When necessary, the collection head works closely with credit risk managers, legal counsel, and other organizations to ensure that ethical standards and regulatory frameworks are followed throughout the collection process. Overall, through efficient management of the recovery of both gold and non-gold loans, the collection head's function is critical to preserving the institution's asset quality and profitability. They support the institution's financial health and standing in the community by striking a balance between strict collection procedures and customer-focused strategies.

Sales Head:

In order to promote sales, revenue growth, and market expansion for these financial products, the sales head's involvement in the provision of both gold loans and non-gold loans requires strategic leadership. Regarding gold loans, the sales manager is in charge of managing every step of the sales process, from acquiring new clients to disbursing loans. Their sales methods are designed and implemented to leverage the allure of secured financing against tangible gold assets. In order to attract clients and maintain profitability and risk management, this involves establishing competitive interest rates, loan-to-value ratios, and payback conditions.

On the other hand, the sales head's responsibilities in managing nongold loans broaden to include a variety of credit products, including mortgages, business loans, and personal loans. They take the lead in efforts to find potential clients, segment the market, and customize loan offers to fit particular needs and preferences. In order to keep loan products competitive in the market, the sales head works closely with the product development teams to innovate and improve them. Additionally, they are in charge of managing relationships with important parties, such as corporate clients and business partners, in order to increase the institution's loan portfolio and maximize income possibilities.

Essentially, the sales head is crucial to the institution's loan sales strategy since they drive it and make sure that it aligns with organizational objectives, legal requirements, and customer satisfaction for both gold and non-gold loan products. As the financial services business becomes more competitive, their leadership helps the institution develop and become profitable by promoting a customercentric approach and increasing market exposure.

Credit Head:

When granting gold loans or non-gold loans, the credit head's job is to thoroughly analyse the creditworthiness of the applicants, frequently starting with a CIBIL score examination. The credit head takes the borrower's CIBIL score into account as part of the overall risk assessment process, even though the value and quality of the physical gold given as collateral is the major consideration for gold loans. An individual's credit history and repayment patterns can be inferred from their CIBIL score, which is a valuable tool. An improved score signifies a strong credit profile, signifying a track record of timely payments and careful credit administration. Even though the loan is secured by gold security, this information aids the credit head in assessing the borrower's ability and likelihood of repaying the loan.

The credit head heavily depends on the borrower's CIBIL score for evaluating credit risk and repayment ability in the context of non-gold loans, including personal or company loans. A good score on the CIBIL indicates a reduced credit risk, which could help the borrower get better conditions on their loan. But in order to make sure the borrower has enough money to easily pay the loan, the credit head also looks over the borrower's cash flow statements. When choosing a loan amount, interest rate, and repayment plan that suit the borrower's financial situation, cash flow analysis is a critical tool for confirming the borrower's ability to make steady income and handle their financial obligations.

All things considered, the credit head is a key player in determining the institution's lending strategy, making sure that the portfolios of both gold and non-gold loans are efficiently managed to maximize profits and minimize credit losses. Their expertise in regulatory compliance, risk assessment, and strategic decision-making enhances the institution's standing, financial stability, and capacity to cater to a wide range of consumer borrowing needs in a competitive marketplace.

Operation Head:

The operations head plays a critical role in supplying both gold and non-gold loans, assuring seamless and effective processes from loan payout to application processing and beyond. The operations head is in charge of managing the day-to-day operations concerning the evaluation, confirmation, and storage of actual gold collateral for gold loans. They guarantee a strict and uniform evaluation procedure, confirming the type, weight, and integrity of the gold pledged as collateral. The head of operations oversees the safety and storage of gold assets in order to minimize risks and guarantee conformity to regulatory standards.

The operations head is crucial to speeding the loan application process for non-gold loans, like company, personal, and home loans. They create and put into place effective processes and workflows for credit financing, paperwork verification, and loan origination. To guarantee that loan applications are processed in a timely manner, coordination with multiple departments is required. These departments include credit assessment teams, legal consultants, and customer service representatives. In addition, the operations head is in charge of managing the loan disbursement processes, making sure that money is sent to borrowers as soon as all required paperwork has been approved and verified.

The operations head also keeps an eye on the actions that take place after a loan is disbursed, such as loan servicing, repayment monitoring, and customer assistance. They work together with IT and tech teams to take advantage of digital solutions which increase productivity, reduce response times, and enhance customer satisfaction. They are also responsible for making sure that all loan transactions follow industry best practices and legal standards, as well as corporate policies and regulatory guidelines.

CRO Team (Customer relationship officer):

For both gold and non-gold loans, the Customer Relationship Officer (CRO) team serves as the main point of contact between the financial institution and its clients, which makes them very important. CROs monitor the completion of loan applications by clients, make sure that all paperwork and rules are followed, and evaluate the value of the gold that is being pledged for loans. They handle loan status updates and payback schedule management by keeping in constant contact with clients. Additionally, in order to understand their financial demands, give specific solutions, and deliver outstanding service in order to increase customer satisfaction and retention, CROs establish and maintain relationships with their clients.

In order to better understand their financial needs, provide specific solutions, and deliver outstanding customer service, CROs also establish and maintain relationships with their clients. This helps to increase client retention and satisfaction. Similar tasks, catered to the particular needs of each loan type, are carried out by CROs in the field of non-gold loans, such as business and personal loans. They provide smooth processing from application to disbursement, emphasizing openness and customer-focused service delivery. Their area of expertise is to combine financial expertise with people abilities to build trust and dependability, which are essential for maintaining long-term client relationships in the tough financial services sector.

CRM (Customer Relationship Management)-NGL:

A proactive, customer-focused strategy is utilized by the Customer Relationship Management (CRM) team to resolve past-due payments and maintain reputation with borrowers as part of normal recovery. In financial institutions, the CRM staff is essential because they interact with delinquent clients in a caring and sensitive way, seeking to understand their financial difficulties and work together to find solutions. Here is a summary of the general procedures followed by the CRM team during a typical recovery.

First, when a borrower misses a payment or gets late on their installments, the CRM team gets in touch with them. They make contact and start a conversation by using a variety of methods, including phone calls, emails, and letters. The purpose of this first communication is to determine the borrower's willingness and ability to repay as well as to understand the reasons behind the payment default. Second, the CRM team collaborates with the borrower to determine suitable repayment options in accordance with the information gathered. Depending on the borrower's situation, this can involve adjusting the loan terms, establishing different payment plans, or providing short-term assistance. In order to recover the outstanding amounts while maintaining affordability for the borrower, the team looks for solutions that benefit both parties.

Thirdly, the CRM staff continues to monitor progress and offer continuous support during the recovery process by doing regular follow-ups. They are still available to respond to the borrower's questions or concerns and, if necessary, offer advice on sound money management techniques. This ongoing interaction promotes confidence and trust, which in turn motivates borrowers to meet their repayment commitments.

REPO (Repossession of VL & TWL):

Repossession plays a significant role in vehicle loans and two-wheeler loans when borrowers default on their repayment obligations. In both cases, the vehicle serves as collateral for the loan, providing security to the lender in case of non-payment. Repossession refers to the legal process through which the lender reclaims possession of the vehicle due to the borrower's failure to meet loan repayment terms.

Repossession occurs for vehicle loans, which usually involve automobiles, trucks, or commercial vehicles, when the borrower is long-term in arrears on payments. Repossession procedures are started by the lender in accordance with the conditions of the loan agreement and any relevant laws. This might involve providing the borrower notice of default and giving them a chance to correct the default by making up the payments they missed. The lender has the right to legally repossess the car if the borrower doesn't comply. To ensure legal compliance and prevent problems, recovery teams or repossession agents may be called upon to find and recover the car.

Repossession works similarly in two-wheeler loans, which are typically used to finance motorcycles or scooters. The lender gives the borrower options for repayment, warns them of their default, and, if necessary, takes the necessary steps to reclaim the property if the default continues. The objective is to retrieve the asset in order to lessen the lender's financial losses and possibly sell the car in order to recover the remaining loan balance.

GL- Recover & Auction in charge:

A financial institution's GL-Recovery and Auction department is in charge of overseeing the auctioning of secured assets when necessary and handling the process of recovering defaulted debts. In order to reduce losses for the organization and minimize credit risks, this department is essential. The primary goals of the GL-Recovery team include reaching out to loan defaulting borrowers, arranging repayment schedules, and, if required, pursuing legal action to recoup the unpaid balance. To guarantee adherence to legal mandates and maximize recuperation tactics, they collaborate closely with other organizations and legal consultants.

To handle difficult situations and maximize recovery outcomes for the financial institution, workers in this sector must possess strong communication skills, communication abilities, and a thorough understanding of legal procedures.

Marketing Team:

The marketing department is crucial to the development of the institution's brand identification, customer acquisition strategy, and customer loyalty. The team, which consists of experts in digital strategy, advertising, market research, and customer relationship management, creates extensive marketing campaigns that are customized for different financial services industry groups. To advertise the institution's goods and services, they use print, television, social media, email marketing, and corporate events, among other traditional and digital media. Their work is not possible without market research, which gives them valuable information about consumer preferences, competition, and new trends that they can use to guide strategic choices. In order to successfully introduce new financial products, the marketing team works closely with the product development teams, making sure that marketing initiatives are in line with both company goals and legal requirements. Additionally, they are essential for managing the institution's publicity, maintaining a favorable brand image, and taking the initiative to address market difficulties. All things considered, the marketing division acts as a liaison between the financial institution and its target audience, promoting market presence and encouraging growth through creative and focused advertising efforts.

Digital marketing:

A financial institution's digital marketing division is essential to using digital channels to raise brand awareness, encourage consumer interaction, and eventually encourage corporate expansion. This department is in charge of developing and implementing digital strategies. To successfully reach target audiences, it makes use of a variety of online platforms, including websites, social media, email, search engines, and mobile apps. In addition to managing paid advertising campaigns (PPC), they are also responsible for creating engaging content that informs and teaches prospective customers about financial products and services, optimizing websites and digital assets for improved search engine visibility (SEO), and keeping an eye on social media channels for brand reputation management.

Additionally, this department works together with other departments including IT, customer service, and product development to make sure that digital initiatives are in line with overall business goals and comply with financial sector-specific regulatory compliance standards.

Doorstep Gold Loan:

The goal of the Doorstep Gold Loan department is to offer clients simple gold loan services right in their homes. The goal of this customer-focused service is to improve accessibility and convenience, especially for people who might find it difficult to visit physical branches because of limited time, physical limitations, or geographic difficulties. In order to provide customers with a seamless and secure experience, the department sends out experienced loan officers provided with mobile devices to assess gold assets, process loan applications, and distribute funds immediately. To preserve the integrity of the transaction and safeguard the client as well as the organization, they follow strict security procedures and regulatory compliance. In addition to expanding the institution's reach, the Doorstep Gold Loan department builds customer connections and confidence by providing individualized service and minimizing the need for branch visits.

E-security department:

Protecting the company's digital assets and making sure that data and transactions made online are secure are the responsibilities of the esecurity department. This crucial division is responsible for safeguarding private data against online dangers including malware, phishing, and hacking—all of which are becoming more common in today's digital environment. The E-Security team uses a variety of strategies, such as putting powerful encryption protocols into place, carrying out frequent security audits, and keeping an eye on network traffic for unusual activity. They also create and implement security policies and processes, train staff members on cybersecurity, and keep up of emerging security technologies and threat intelligence. The department is also in charge of incident response, which entails promptly identifying and minimizing any security breaches in order to reduce possible harm.

Stores & Br operation Team:

The efficient operation of the institution's physical infrastructure and daily branch operations depends heavily on the Stores & Branch Operations Team. This group is in charge of keeping track of the inventory of equipment, supplies, and other necessities required for the smooth running of the branches. They supervise the purchasing procedure, guaranteeing timely distribution of essential goods while preserving cost effectiveness. This entails maintaining relationships with vendors, negotiating with suppliers, and making sure procurement policies are followed. The Stores team makes sure that branches are fully prepared to serve clients without any delays by keeping an orderly inventory system.

Branch Operations, on the other hand, is responsible for the smooth operation of customer service and everyday banking operations at branch locations. This include controlling cash handling practices, monitoring front-line employees, making sure security rules are followed, and guaranteeing regulatory compliance. The team guarantees that all branch operations comply with the policies and procedures of the establishment, thereby offering a uniform and superior client experience. They are also in charge of developing operational improve

2) Legal Recovery

Legal recovery of NPA is done through mainly in three ways:

1) Arbitration

2) Execution petition

3) Cheque

4) Adalat

DPD (Days past due):

A loan account is classified as a Non-Performing Asset (NPA) if the principal or interest is not paid for over 90 days. When a day's past due count (DPD) reaches '0', an asset that has been classed as NPA will return to the 'Standard' category. However, when these processes are run, lending institutions will mark borrower accounts as past due during day-end procedures for the due date in accordance with RBI requirements. All borrower accounts must be classified as SMA or NPA as part of the day-end procedure for the applicable date. Stated otherwise, the day end process is executed for the calendar day which relates to the SMA or NPA categorization date. Days Past Due (DPD) is a term used to describe how many days a borrower has missed a credit card or EMI payment. One of the things that lenders consider when deciding whether to approve or deny your loan or credit card application is DPD, which can be found in the "Payment History" area of your credit report.

1) Arbitration

Arbitration is a form of alternative dispute resolution (ADR) in which disagreements between borrowers and lenders (banks, financial organizations, etc.) are settled by appointment of a neutral third-party called an arbitrator which is out of court settlement. Instead of going through the legal system, lenders may choose to move toward recovery of the outstanding balance through arbitration when a loan or asset becomes non-performing, which indicates the borrower has not made regular payments for a given period of time. This method is frequently more effective and quicker. Arbitrators may be chosen by the parties mutually agreeing, appointed by an arbitration institution, or chosen by each party with a third arbitrator chosen either jointly or by the institution, depending on the terms of the arbitration agreement. Typically, a panel of three arbitrators or just one arbitrator is chosen.

It will send a notice within 14 days from the date of NPA and filing the arbitration within 40 days. A notice of arbitration describing the nature of the dispute, the claims made, and the remedies sought has been delivered by the party requesting arbitration to the other party. It should be awarded in 6 months and after that requesting for execute the award and filing an executive petition in district court after 120days.

2) Execution petition

A creditor may file an execution petition in court to have a court judgment or decree against a debtor enforced. If the debtor ignores a judgment rendered in the creditor's favor, the creditor may file an execution petition to request the court's help in recovering the money or property that was awarded. The execution petition lists the debtor's assets or properties that may be seized or sold to pay off the debt, as well as the specifics of the judgment and the amount still due. After considering the petition, the court may make orders pertaining to wage garnishment, asset attachment and sale, or other actions necessary to enforce the judgment. This legal procedure offers an organized and judicially monitored approach to debt collection, guaranteeing the creditor's ability to enforce their right to collect the amount as decided by the court. The court reviews the petition to make sure all legal and procedural requirements are satisfied before starting the execution process. Following verification, the court provides an execution order that permits the attachment and eventual sale of the debtor's assets, wage garnishment, or bank account confiscation. Under judicial supervision, court-appointed officers, like enforcement agents or law enforcement, carry out these activities, guaranteeing due process and meeting legal requirements. The debtor may challenge the execution, which may result in a hearing where disagreements are settled. The revenues from the sale of the taken away assets are used to satisfy the judgment's responsibility.

3) Cheque

The NBFI has the right to offer the borrower's cheques for payment even in cases where the account is declared non-performing. When trying to recover, this is frequently the first step. When an account in an NBFI becomes non-performing asset (NPA), using cheques as a recovery tool necessitates careful legal and administrative treatment. While using cheques to force a borrower to repay can be successful, in order to ensure effective and efficient collection of debts, they must be controlled within the constraints of applicable laws and reasonable considerations. A strategic approach to communication and negotiation, along with appropriate documentation and timely legal action, are crucial elements of this process.

Bouncing of cheques:

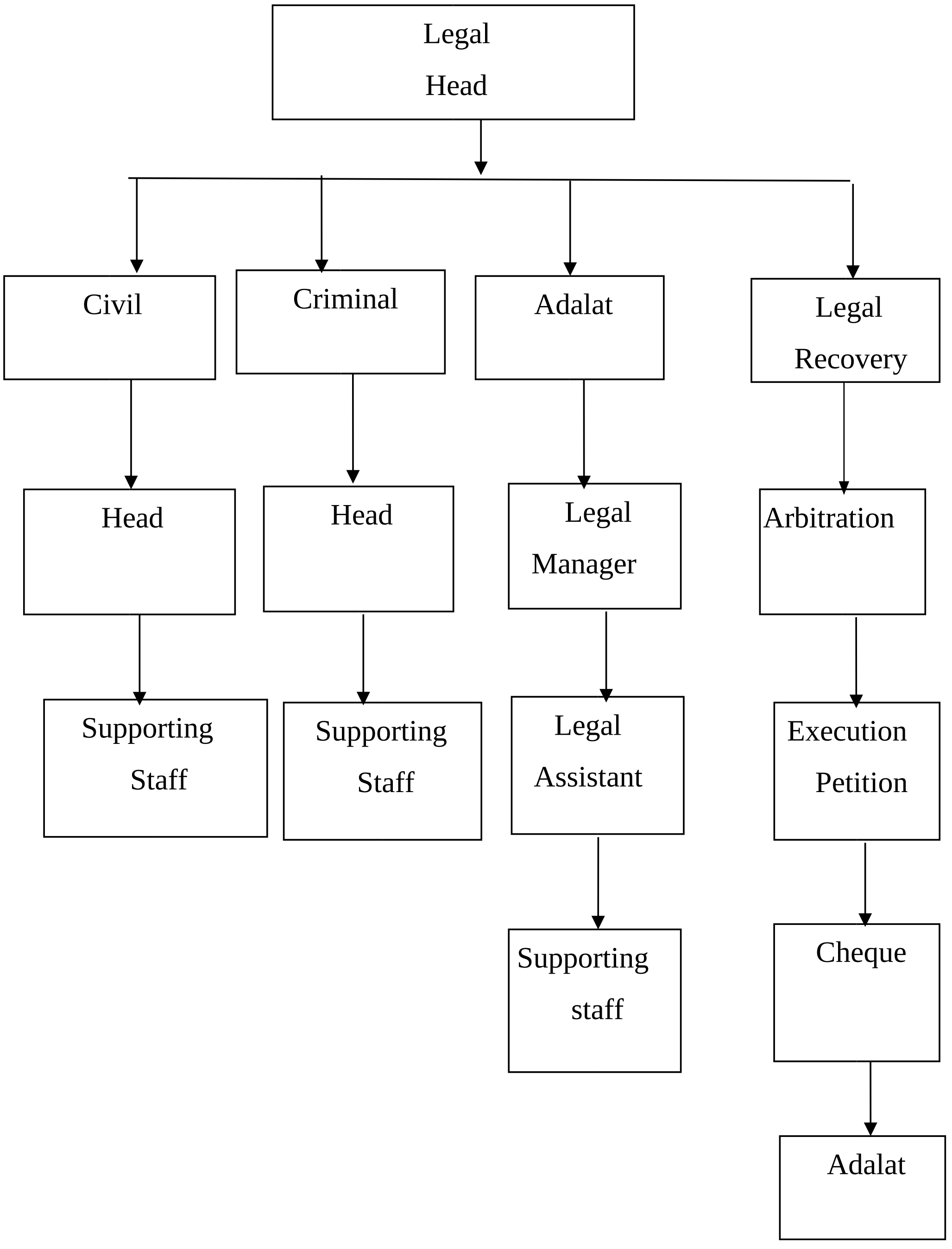
A cheque that bounces from the borrower becomes a serious problem when the account turns into a non-performing asset (NPA). In addition to indicating the borrower's financial difficulties, a bounced cheque gives the lender a legal option for recovery. This might occur from insufficient funds or other reasons. Section 138 of the Negotiable Instruments Act, 1881 in India allows the lender to file a criminal charge against the borrower. A formal demand notice from the lender, usually sent to the borrower within 15 days of the check bouncing, must be sent to them. It also makes execution petition to recover the amounts. If the borrower fails to comply, the lender may file a complaint with the court, which might result in fines or even jail time for the borrower. By highlighting the gravity of cheque dishonor and giving the lender leverage to secure repayment, this legal mechanism is an essential instrument for Non-Banking Financial Institutions (NBFIs) to collect debts from non-performing assets (NPA) accounts.

4) Adalat

Adalat, sometimes referred to as Debt Recovery Tribunals (DRTs) in certain jurisdictions, plays a crucial role in assisting in the settlement of debt recovery disputes when an account turns into a Non-Performing Asset (NPA). These specialist tribunals are set up by certain legislation (like the SARFAESI Act in India) to deal with situations in which debtors file for bankruptcy due to nonpayment of loans. Adalat/DRT's main responsibility is to make decisions about cases related to the recovery of unpaid debts, which usually involve significant amounts of money. Banks and other creditors submit petitions to Adalat/DRT describing the default, the amount due, and any collateral that may be involved. By enabling both parties to present their views and supporting documentation, the tribunal makes sure that due process is followed to.

In order to enable banks and other financial institutions to effectively recover non-performing assets (NPAs), the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act was passed into law in India in 2002. In the event of a loan default, the Act gives these institutions the power to enforce security interests without the need for court action, which speeds up the recovery process. Demand notifications, which give defaulting borrowers sixty days to pay back unpaid balances, can be sent by creditors to them under SARFAESI. Should payment not be received, the secured assets may be seized by the creditor and sold at public auction in order to recoup the debt.

2.4 Structure of legal department:



CHAPTER-III

DATA ANALYSIS AND INTERPRETATION

3.1 PERCENTAGE OF GOLD LOAN NPA ACCOUNTS

Year	Number of Loans	Number of NPAs	Percentage of NPA Accounts
2019	30185	15	0.05
2020	36242	31	0.09
2021	38367	59	0.15
2022	34621	35	0.10
2023	35006	66	0.19

Table 3.1 Percentage of gold loan NPA accounts of the company for the year 2019-2023.

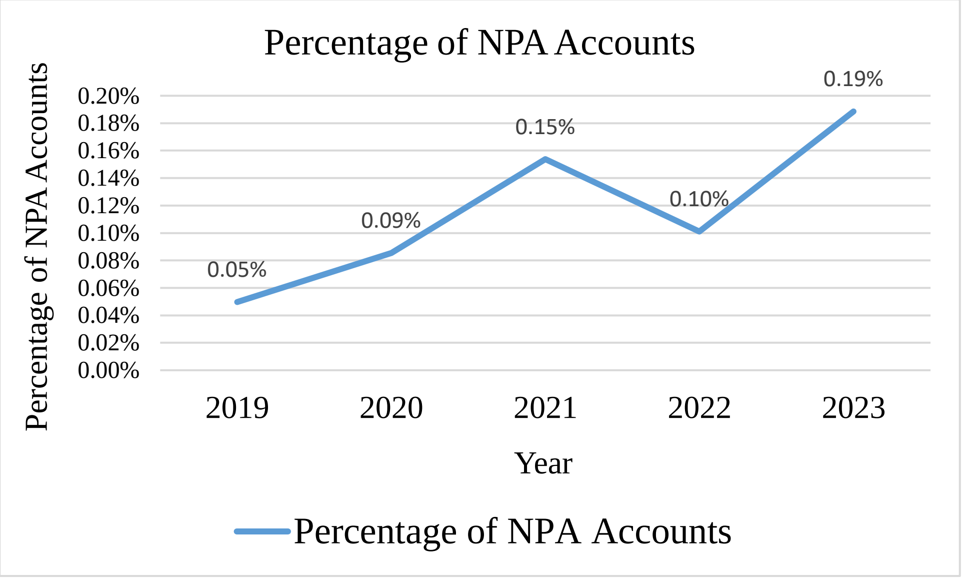


Figure 3.1 Percentage of gold loan NPA accounts of the company for the year 2019-2023.

INTERPRETATION: -

The number of gold loans increased from 30,185 in 2019 to 38,367 in 2021 before slightly decreasing to around 35,000 in the subsequent years. However, the number of NPAs rose significantly from 15 in 2019 to 66 in 2023. This resulted in the percentage of NPA accounts increasing from 0.05% in 2019 to 0.19% in 2023. Despite a relatively stable number of loans in recent years, the rising NPA percentage indicates growing challenges in maintaining loan quality.

3.2 PERCENTAGE OF VEHICLE LOAN NPA ACCOUNTS

Year	Number of Loans	Number of NPAs	Percentage of NPA Accounts
2019	724	93	12.85
2020	930	138	14.84
2021	765	192	25.10
2022	1078	345	32.00
2023	1339	151	11.28

Table 3.2 Percentage of Vehicle loan NPA accounts of the company for the year 2019-2023.

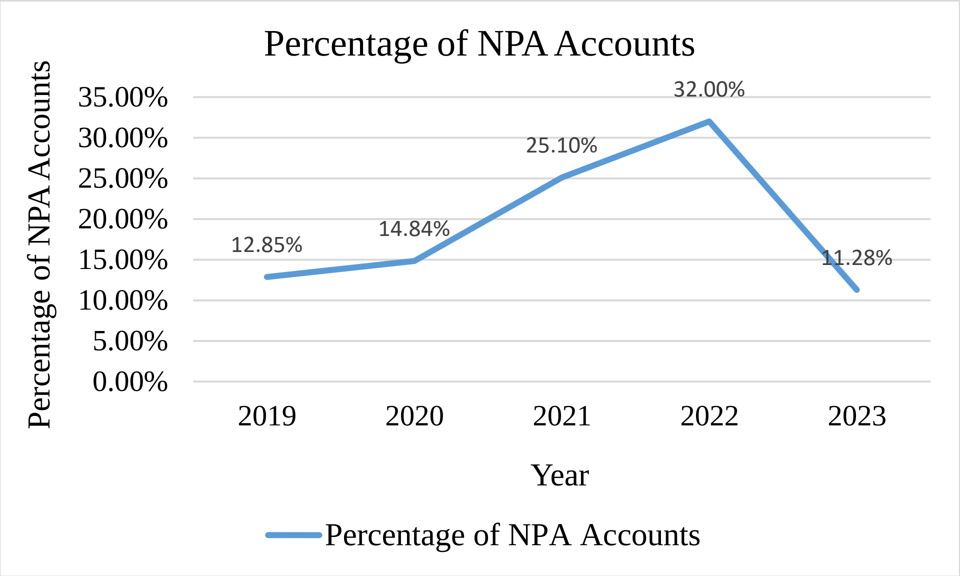


Figure 3.2 Percentage of Vehicle loan NPA accounts of the company for the year 2019-2023.

INTERPRETATION: -

The number of vehicle loans has steadily increased from 724 in 2019 to 1,339 in 2023. Despite this growth, the number of NPAs showed a significant rise, peaking at 345 in 2022, resulting in a high NPA percentage of 32.00%. However, in 2023, both the number of NPAs and the NPA percentage dropped considerably to 151 and 11.28%, respectively. This suggests that while the vehicle loan portfolio expanded, recent efforts in 2023 have been successful in reducing the proportion of non-performing assets.

3.3 PERCENTAGE OF BUSINESS LOAN NPA ACCOUNTS

Year	Number of Loans	Number of NPAs	Percentage of NPA Accounts
2019	768	54	7.03
2020	1575	187	11.87
2021	1232	724	58.77
2022	305	258	84.59
2023	533	163	30.58

Table 3.3 Percentage of Business loan NPA accounts of the company for the year 2019-2023.

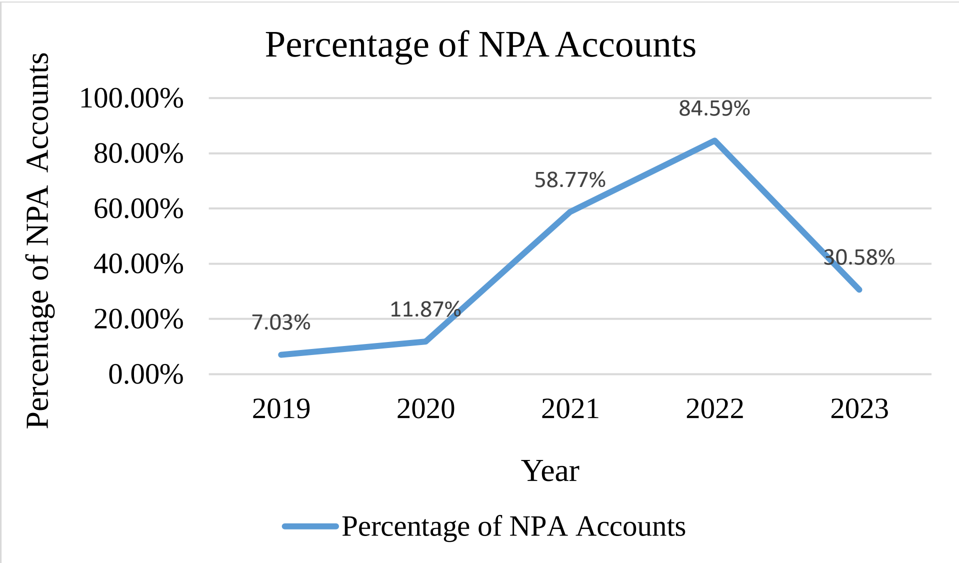


Figure 3.3 Percentage of Business loan NPA accounts of the company for the year 2019-2023.

INTERPRETATION: -

The number of business loans experienced significant fluctuations, peaking at 1,575 in 2020 before dropping to 305 in 2022 and then recovering to 533 in 2023. The number of NPAs saw a dramatic increase in 2021, resulting in a high NPA percentage of 58.77%, and further escalated to 84.59% in 2022. However, in 2023, both the number of NPAs and the NPA percentage declined to 163 and 30.58%, respectively. This suggests that while the business loan portfolio faced severe NPA issues, particularly in 2021 and 2022, there have been substantial improvements in managing loan quality in 2023.

3.4 PERCENTAGE OF MORTGAGE LOAN NPA ACCOUNTS

Year	Number of Loans	Number of NPAs	Percentage of NPA Accounts
2019	267	76	28.46
2020	210	73	34.76
2021	287	19	6.62
2022	918	131	14.27
2023	1471	222	15.09

Table 3.4 Percentage of Mortgage loan NPA accounts of the company for the year 2019-2023.

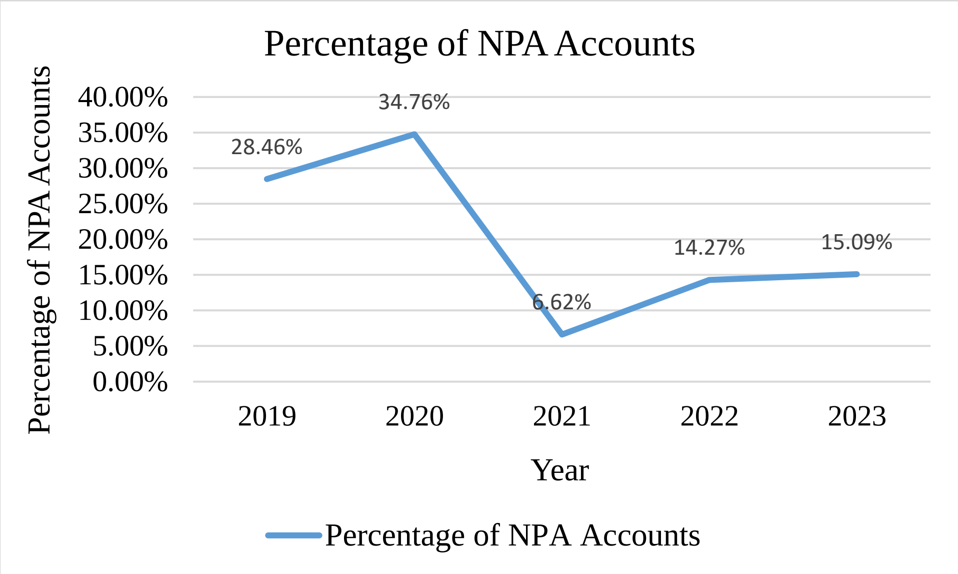


Figure 3.4 Percentage of Mortgage loan NPA accounts of the company for the year 2019-2023.

INTERPRETATION: -

The number of mortgage loans has increased significantly from 267 in 2019 to 1,471 in 2023. The number of NPAs initially decreased dramatically in 2021 to 19, resulting in a low NPA percentage of 6.62%. However, as the number of loans grew, the NPAs also raise, reaching 222 in 2023, leading to a higher NPA percentage of 15.09%. Despite the increase in NPAs, the growth in the mortgage loan portfolio indicates expanding lending activities, though there are rising challenges in maintaining loan quality.

3.5 NPA RECOVERY RATE OF GOLD LOAN

(In lakhs)

Segment	2019	2020	2021	2022	2023
Gold Loan:					
Opening NPA GL	0.37	2.85	5.85	67.96	37.29
(+) Additions	2.71	5.34	73.20	109.31	51.78
(-) NPA Recovery	0.24	2.33	11.09	139.99	11.10
Gold Loan (GNPA)Closing	2.85	5.85	67.96	37.29	77.97
Recovery rate GL	**8%**	**28%**	**14%**	**79%**	**12%**

Table 3.5 NPA Recovery rate of gold loan of the company for the year 2019-2023.

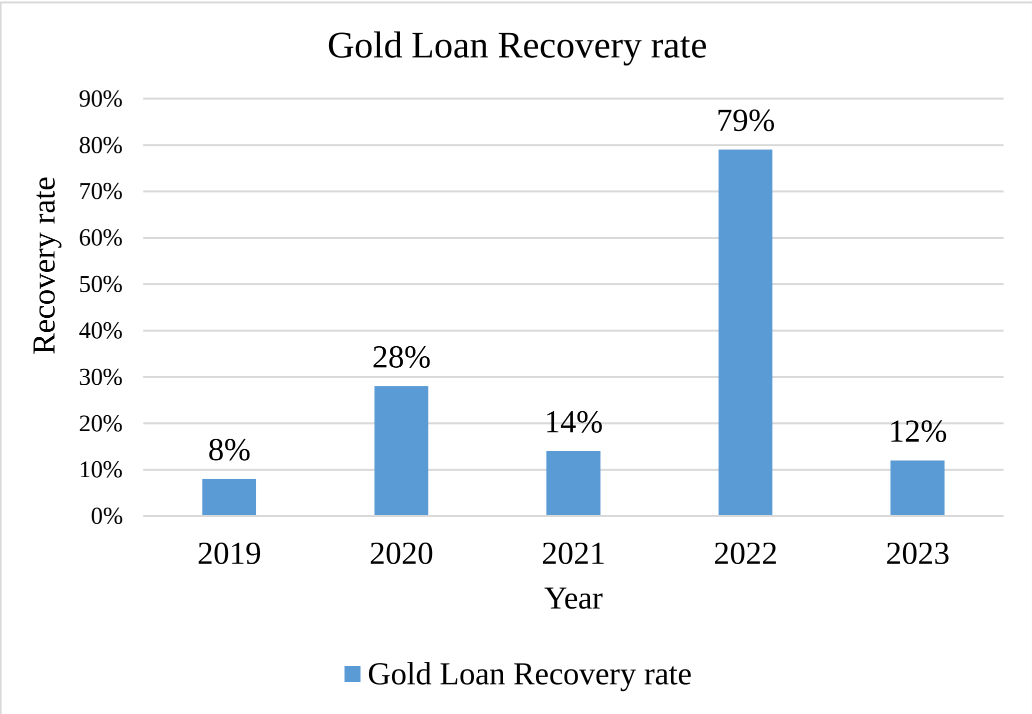


Figure 3.5 NPA Recovery rate of gold loan of the company for the year 2019-2023.

INTERPRETATION: -

The efficiency of NPA recovery processes for gold loans has shown significant variations from 2019 to 2023. The data suggests improvements in recovery strategies in certain years, while challenges persisted in others. The high efficiency in 2022 and the sharp drop in 2023 indicate the need for continuous evaluation and adaptation of recovery strategies to maintain high recovery rates and manage NPAs effectively. Identifying and addressing the factors behind these variations can help in developing more robust and resilient recovery processes.

3.6 NPA RECOVERY RATE OF VEHICLE LOAN

(In lakhs)

Segment	**2019**	**2020**	**2021**	**2022**	**2023**
Vehicle Loan:					
Opening NPA VL	147.99	154.13	233.32	331.66	762.93
(+) Additions	73.96	164.39	223.01	666.77	189.53
(-) NPA Recovery	67.82	85.20	124.66	235.50	604.77
VL (GNPA) Closing	154.13	233.32	331.66	762.93	347.69
Recovery rate VL	**31%**	**27%**	**27%**	**24%**	**63%**

Table 3.6 NPA Recovery rate of Vehicle loan of the company for the year 2019-2023.

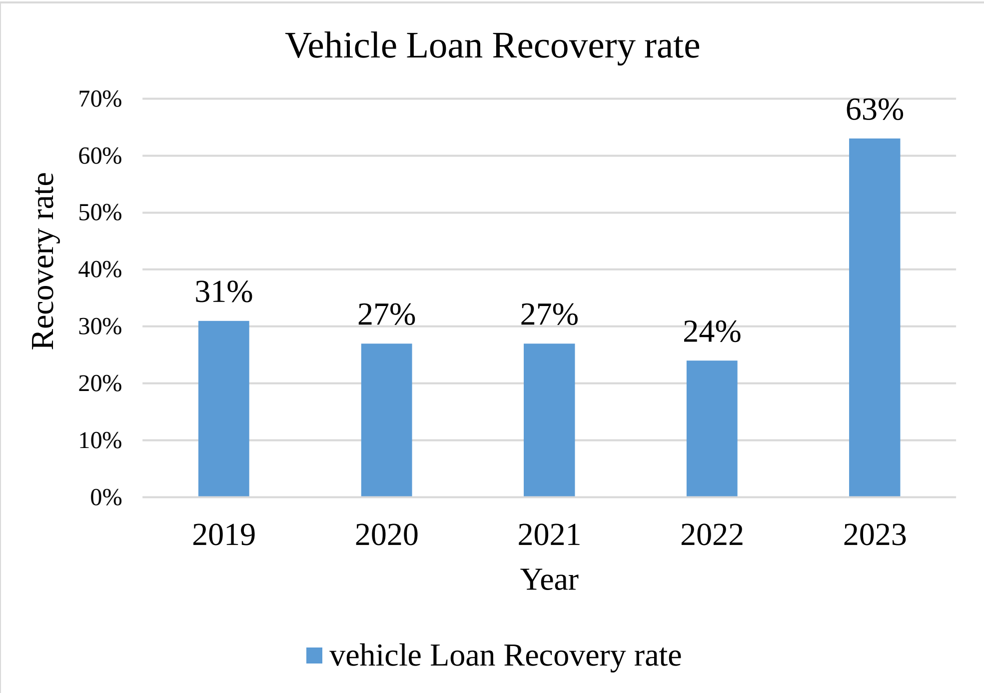


Figure 3.6 NPA Recovery rate of Vehicle loan of the company for the year 2019-2023.

INTERPRETATION: -

From 2019 to 2023, the effectiveness of the NPA recovery procedures for vehicle loans varied. It was modest in 2019, declined in 2020 and 2021, down again in 2022, and significantly improved in 2023.The large improvement in 2023 indicates that recovery efficiency may be significantly increased with targeted efforts and careful adjustments. Overall, the efficiency of NPA recovery processes for vehicle loans has shown significant fluctuations, with periods of moderate efficiency followed by declines and then a significant improvement in 2023. This indicates that consistent and effective recovery strategies, adequate resource allocation, and adaptive policies are crucial for maintaining high recovery efficiency.

3.7 NPA RECOVERY RATE OF SME LOAN

Segment	2019	2020	2021	2022	2023
SME:					
Opening NPA SME	1373.95	1146.48	1203.15	845.76	866.89
(+) Additions	189.45	429.21	17.88	293.89	665.29
(-) NPA Recovery	416.92	372.54	375.27	272.76	300.41
SME (GNPA) Closing	1146.48	1203.15	845.76	866.89	1231.77
Recovery rate SME	**27%**	**24%**	**31%**	**24%**	**20%**

Table 3.7 NPA Recovery rate of SME loan of the company for the year 2019-2023.

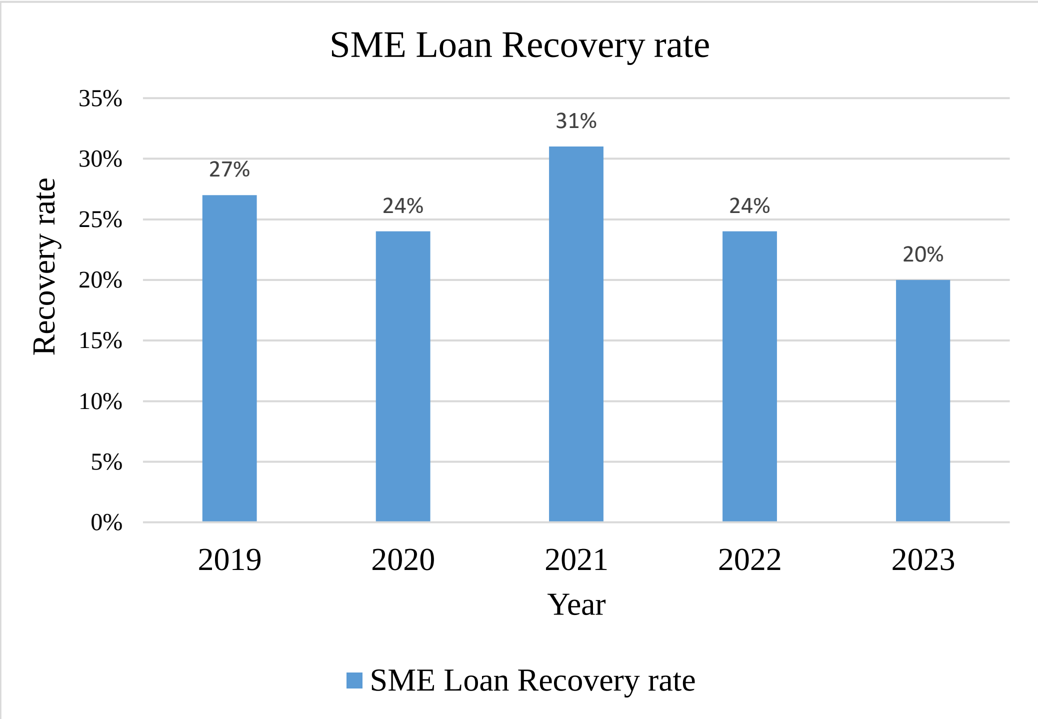


Figure 3.7 NPA Recovery rate of SME loan of the company for the year 2019-2023.

INTERPRETATION: -

From 2019 to 2023, there has been fluctuation in the effectiveness of NPA recovery processes for small-business loans. Although there were times when efficiency was moderately good and even improved, significant decreases in a few years suggest difficulties with the recovery methods, especially when dealing with larger numbers of non-performing assets. It is essential to create stronger and flexible recovery plans, distribute sufficient funds, and modify policies in response to changing market conditions and NPA criteria in order to improve recovery efficiency.

3.8 NPA RECOVERY RATE OF GOLD LOAN AND OTHER LOANS

Segments	2019	2020	2021	2022	2023
Gold Loan:					
Opening NPA GL	0.37	2.85	5.85	67.96	37.29
(+) Additions	2.71	5.34	73.20	109.31	51.78
(-) NPA Recovery	0.24	2.33	11.09	139.99	11.10
Gold Loan (GNPA) Closing	2.85	5.85	67.96	37.29	77.97
Recovery rate GL	**8%**	**28%**	**14%**	**79%**	**12%**
Vehicle Loan:					
Opening NPA VL	147.99	154.13	233.32	331.66	762.93
(+) Additions	73.96	164.39	223.01	666.77	189.53
(-) NPA Recovery	67.82	85.20	124.66	235.50	604.77
Vehicle loan (GNPA) Closing	154.13	233.32	331.66	762.93	347.69
Recovery rate VL	**31%**	**27%**	**27%**	**24%**	**63%**
SME Loan:					
Opening NPA SME	1,373.95	1,146.48	1,203.15	845.76	866.89
(+) Additions	189.45	429.21	17.88	293.89	665.29
(-) NPA Recovery	416.92	372.54	375.27	272.76	300.41
SME(GNPA) Closing	1,146.48	1,203.15	845.76	866.89	1,231.77
Recovery rate SME	**27%**	**24%**	**31%**	**24%**	**20%**

Table 3.8 NPA Recovery rate of gold loan and other loans of the company for the year 2019-2023.

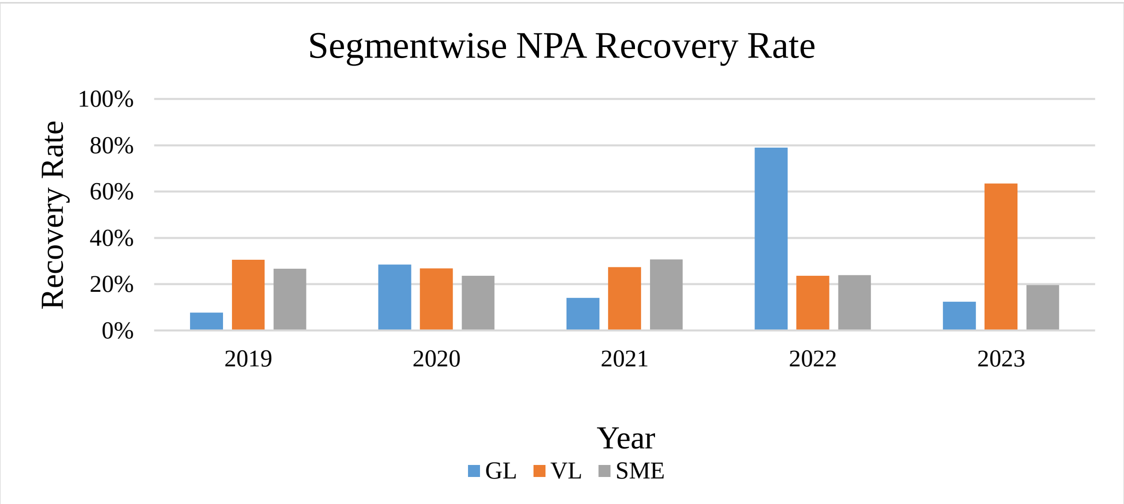


Figure 3.8 NPA Recovery rate of gold loan and other loans of the company for the year 2019-2023.

INTERPRETATION: -

The gold loan market showed a great deal of fluctuation in non-performing assets (NPAs) increased sharply in 2021, recovered significantly in 2022, and then increased once again in 2023. NPAs in the vehicle loan market increased significantly in 2022, but a strong 63% recovery rate in 2023 contributed to a significant decrease in closing NPAs. The SME Loan segment experienced a consistent rise in closing non-performing assets (NPAs) while seeing comparatively strong recovery rates in certain years, suggesting continued difficulties in efficiently managing these loans. The data, taken as a whole, emphasizes how non-performing assets (NPAs) fluctuate depending on the loan category and how successful recovery attempts are.

3.9 TOTAL NPA PROVISION COVERAGE RATIO OF THE COMPANY

Year	NPA Provision (in Lakhs)	Gross NPA (in Lakhs)	Provision coverage ratio (%)
2019	380.59	1,303.45	29
2020	490.86	1,442.32	34
2021	162.91	1,245.38	13
2022	197.94	1,667.11	12
2023	258.51	1,657.44	16

Table 3.9 Total NPA Provision coverage ratio of the company for the year 2019-2023.

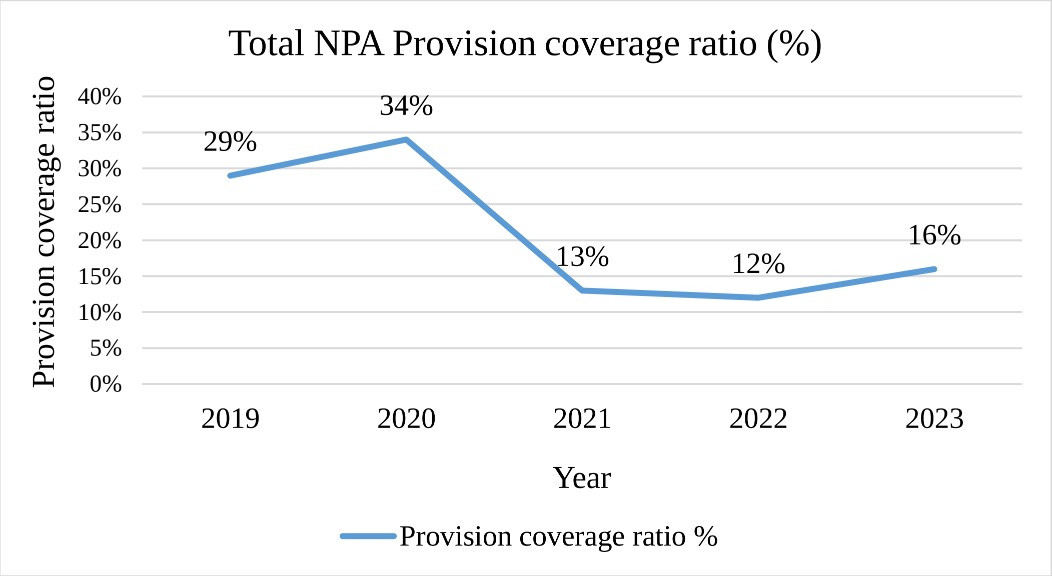


Figure 3.9 Total NPA Provision coverage ratio of the company for the year 2019-2023.

INTERPRETATION: -

The analysis of NPA provision, gross NPA amounts, and provision coverage ratios from 2019 to 2023 highlights varying levels of efficiency in NPA recovery processes. While improvements were seen in certain years, challenges persisted in effectively managing NPAs, as indicated by fluctuating provision coverage ratios. Enhancing these ratios through strategic provisioning and adaptive management practices is crucial for mitigating NPA risks and strengthening overall financial resilience.

3.10 SEGMENT WISE NPA PROVISION COVERAGE RATIO OF THE COMPANY

Segments	Provision coverage Ratio (%)				
	2019	2020	2021	2022	2023
Gold Loan	10	10	10	11	36
Vehicle Loan	44	34	11	12	14
Business Loan	33	28	14	12	32
Mortgage Loan	26	37	13	12	14

Table 3.10 Segment wise NPA Provision coverage ratio of the company for the year 2019-2023

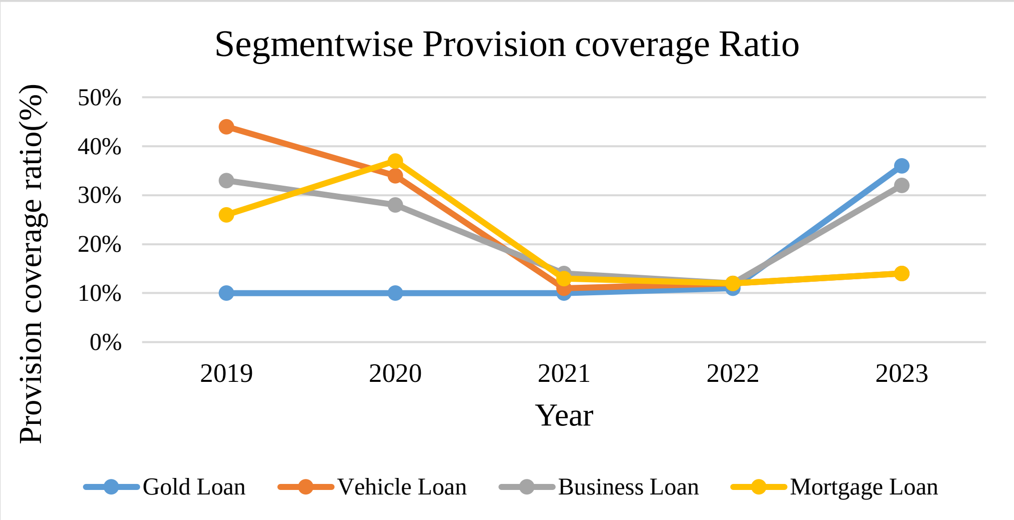


Figure 3.10 Segment wise NPA Provision coverage ratio of the company for the year 2019-2023

INTERPRETATION: -

The provision coverage ratio for Gold Loans increased significantly to 36% in 2023, indicating enhanced risk mitigation efforts. In contrast, the Vehicle Loan and Mortgage Loan segments saw a substantial drop in coverage ratios over the years, reflecting reduced provisioning despite potential risks. The Business Loan segment showed a notable increase in 2023 after a period of decline, suggesting a reactive approach to rising NPAs.

3.11 AVERAGE INTEREST RATE AND AVERAGE LOAN TENURE OF GOLD LOAN

year	Average Interest Rate (%)	Average Loan Tenure (months)
2019	24.17	3
2020	22.95	3
2021	24.36	3
2022	25.21	4
2023	21.35	4

Table 3.11 Average Interest rate and average loan tenure of gold loan for the year 2019-2023

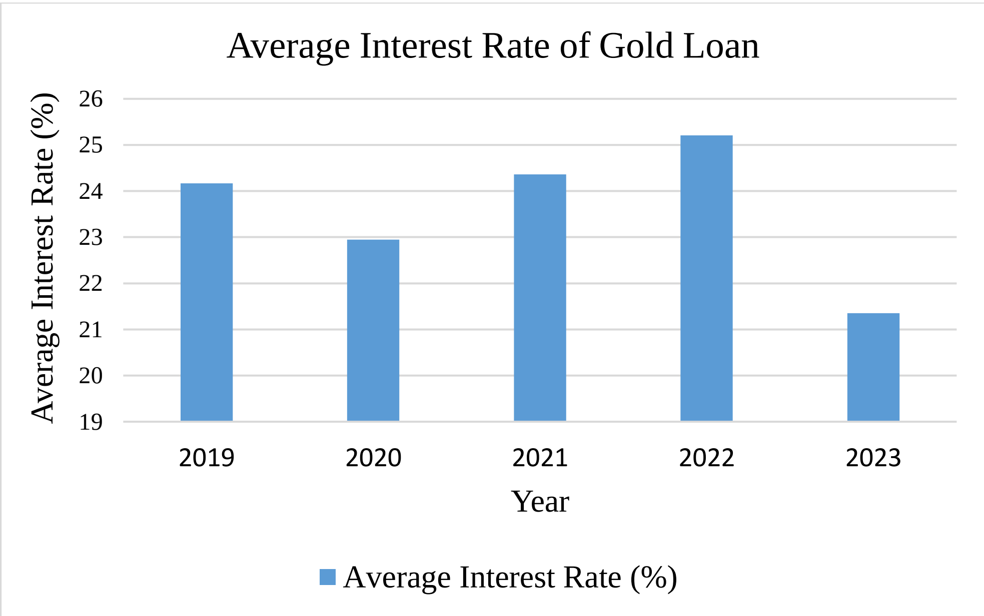


Figure 3.11.1 Average Interest rate of gold loan for the year 2019-2023

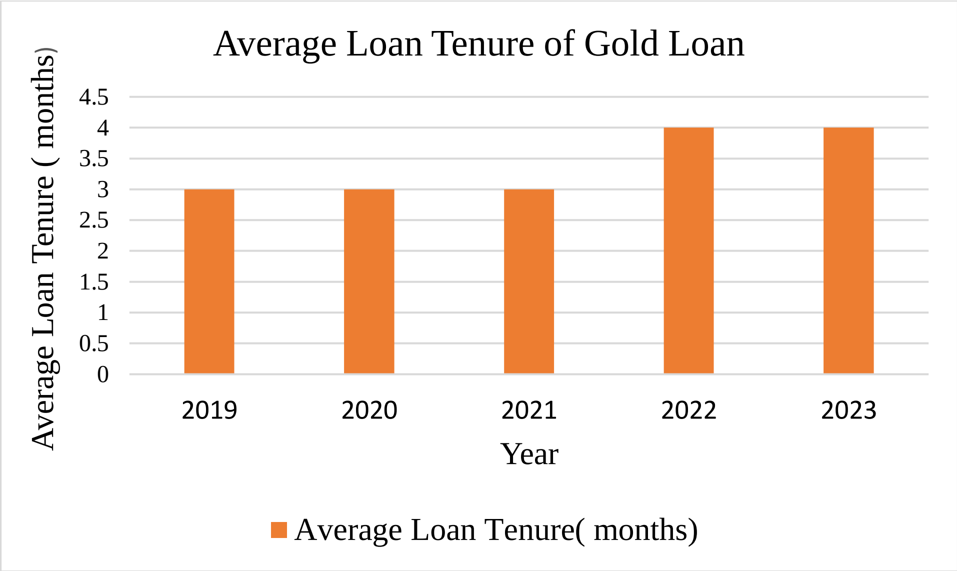


Figure 3.11.2 Average loan tenure of gold loan for the year 2019-2023

INTERPRETATION: -

The average interest rate for gold loans has fluctuated, with an increase of 25.21% in 2022 and a significant drop to 21.35% in 2023. The average loan tenure has increased from 3 months to 4 months starting in 2022. This suggests that while interest rates have varied, there is a trend towards offering slightly longer repayment periods. The decrease in interest rates in 2023, coupled with extended tenures, could be aimed at making gold loans more attractive and accessible to borrowers.

3.12 AVERAGE INTEREST RATE AND AVERAGE LOAN TENURE OF VEHICLE LOAN

year	Average Interest Rate (%)	Average Loan Tenure (months)
2019	22.69	38
2020	23.72	39
2021	21.34	45
2022	21.44	45
2023	22.35	45

Table 3.12 Average Interest rate and average loan tenure of vehicle loan for the year 2019-2023

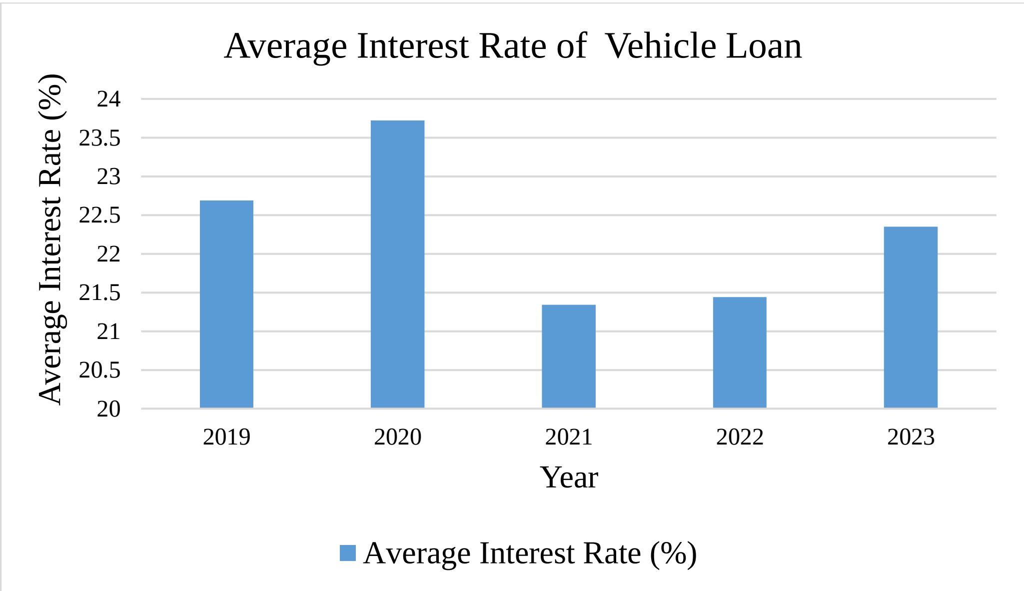


Figure 3.12.1 Average Interest rate of vehicle loan for the year 2019-2023

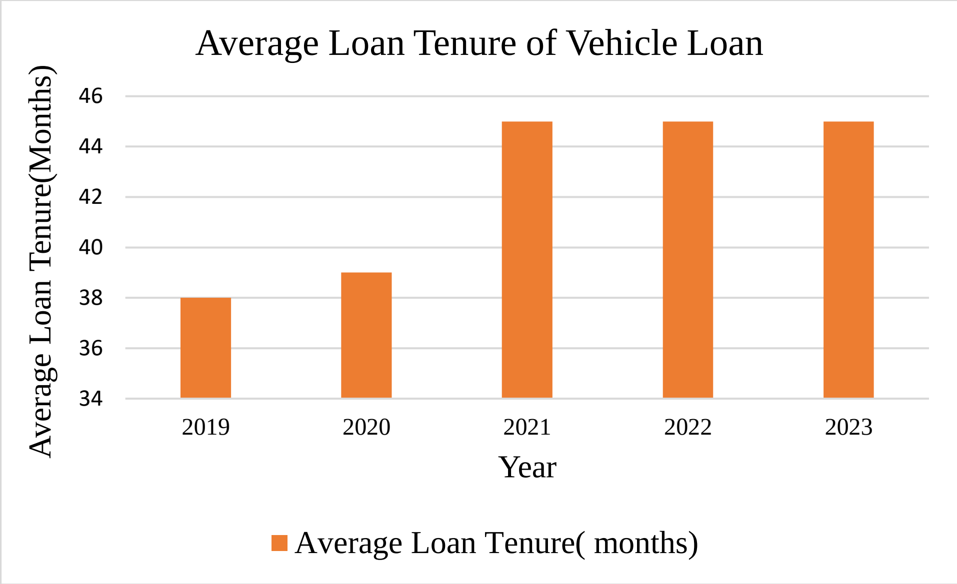


Figure 3.12.2 Average loan tenure of vehicle loan for the year 2019-2023

INTERPRETATION: -

The average interest rate for vehicle loans increased at 23.72% in 2020 before leads to a lower range of around 21-22% in subsequent years. Concurrently, the average loan tenure increased significantly from 38 months in 2019 to 45 months from 2021 onwards. This suggests that lenders are offering longer repayment periods to make vehicle loans more manageable for borrowers, even as interest rates have remained relatively stable. The combination of lower interest rates and extended tenures likely aims to enhance the affordability and attractiveness of vehicle loans.

3.13 AVERAGE INTEREST RATE AND AVERAGE LOAN TENURE OF BUSINESS LOAN

year	Average Interest Rate (%)	Average Loan Tenure (months)
2019	24.01	22
2020	23.42	24
2021	23.42	24
2022	24.99	33
2023	24.17	34

Table 3.9 Average Interest rate and average loan tenure of Business loan for the year 2019-2023

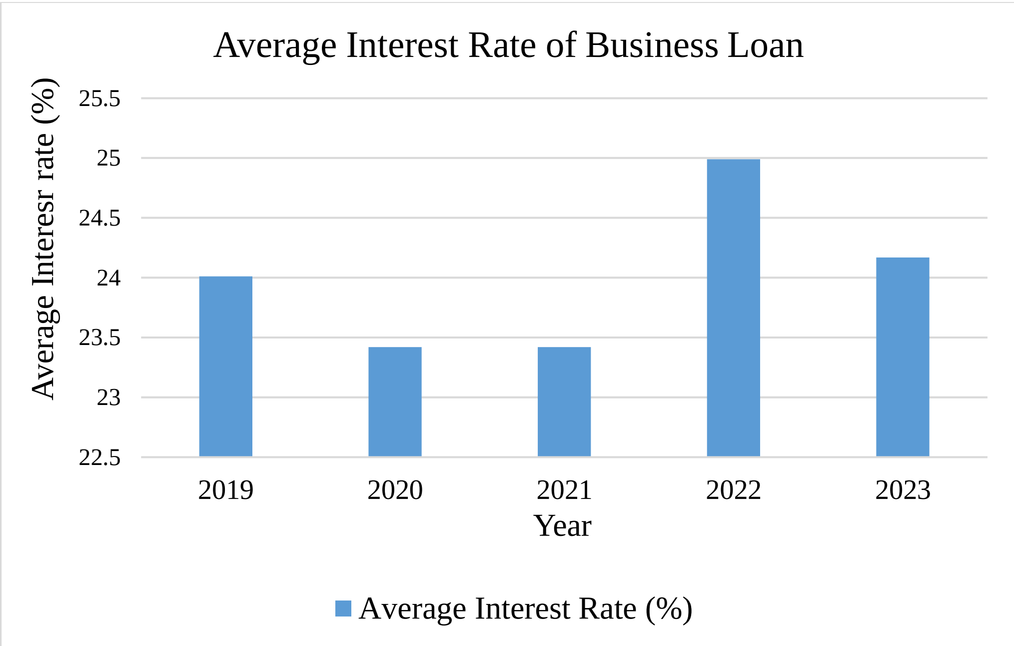


Figure 3.13.1 Average Interest rate of Business loan for the year 2019-2023.

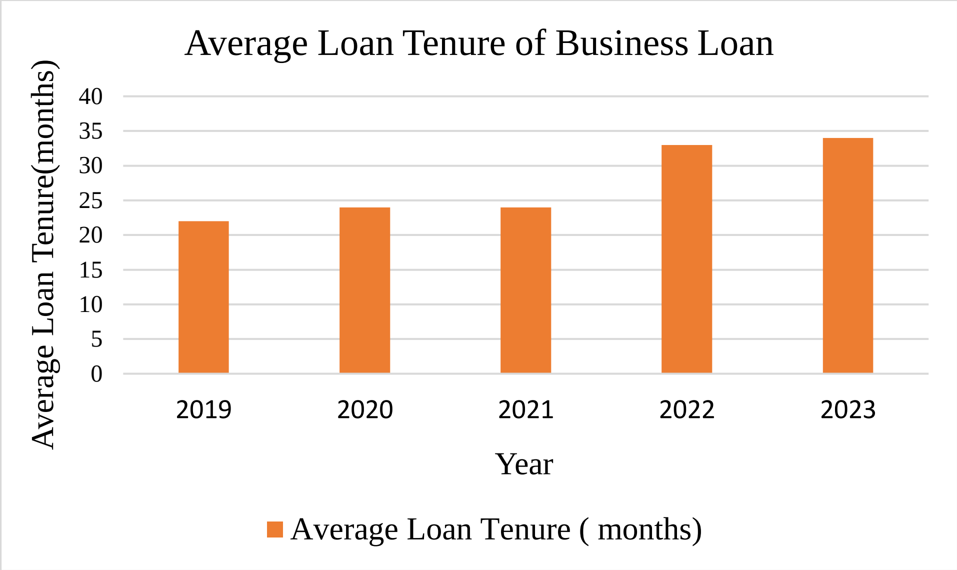


Figure 3.13.2 Average loan tenure of Business loan for the year 2019-2023.

INTERPRETATION: -

The average interest rate for business loans has remained high, with slight fluctuations, increasing at 24.99% in 2022 and slightly decreasing to 24.17% in 2023. The average loan tenure has increased notably from 22 months in 2019 to 34 months in 2023. This trend indicates that while borrowing costs have stayed elevated, lenders are offering longer repayment periods to make loans more manageable for businesses. The extended tenures likely aim to support business borrowers in managing their debt obligations over a more extended period, despite the high interest rates.

3.14 AVERAGE INTEREST RATE AND AVERAGE LOAN TENURE OF MORTGAGE LOAN

year	Average Interest Rate (%)	Average Loan Tenure (months)
2019	22.45	64
2020	22.99	68
2021	22.75	70
2022	22.18	60
2023	22.36	65

Table 3.14 Average Interest rate and average loan tenure of Mortgage loan for the year 2019-2023

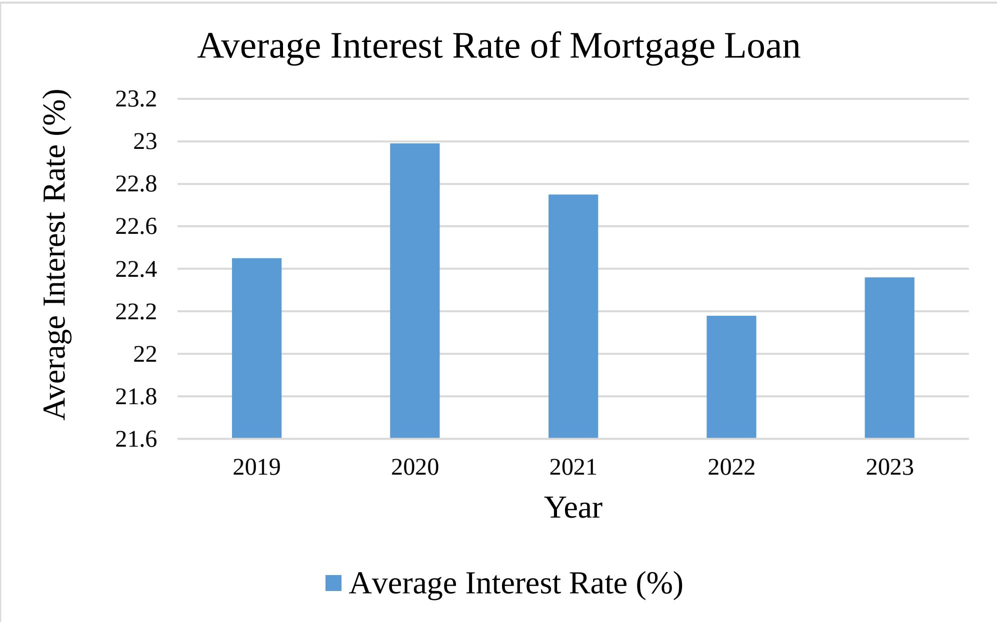


Figure 3.14.1 Average Interest rate of Mortgage loan for the year 2019-2023

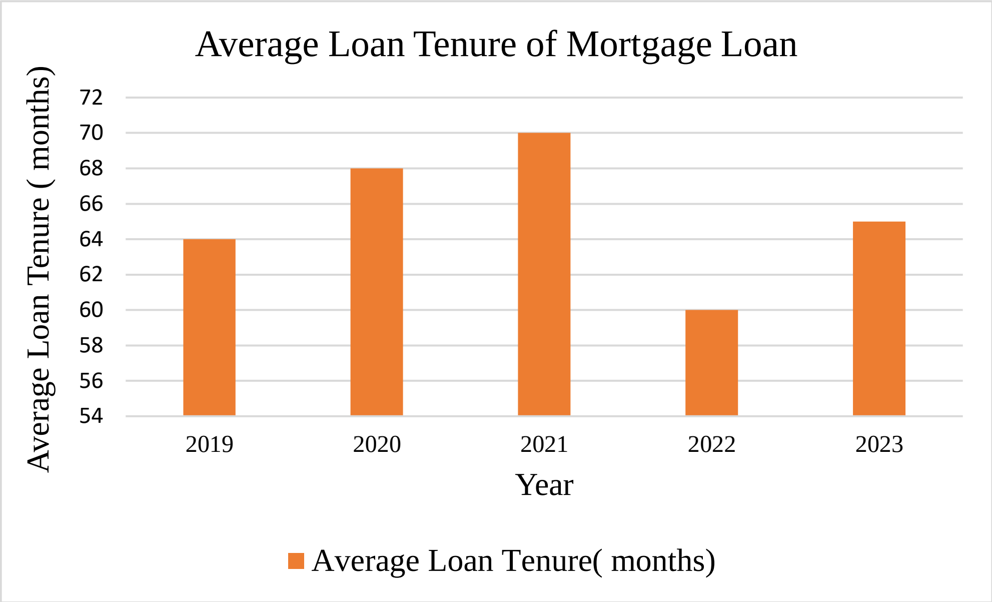


Figure 3.14.2 Average loan tenure of Mortgage loan for the year 2019-2023

INTERPRETATION: -

The average interest rate for mortgage loans has remained relatively stable, fluctuating slightly around 22%, with a minor increase at 22.99% in 2020. The average loan tenure showed an increasing trend until 2021, reaching 70 months, but then decreased to 60 months in 2022 before rising again to 65 months in 2023. This indicates a consistent effort to balance interest rates while adjusting loan tenures to meet market conditions and borrower needs. The fluctuations in tenure reflect strategic adjustments by lenders to make mortgage loans more manageable and attractive to borrowers, while maintaining a stable interest rate environment.

3.15 NPA OF THE COMPANY

Year	AUM (in lakhs)	NPA (in lakhs)	NPA (%)
2019	14,839.40	1,303.45	8.78
2020	19,757.11	1,442.32	7.30
2021	20,022.79	1,245.38	6.22
2022	22,252.86	1,667.11	7.49
2023	29,786.72	1,657.44	5.56

Table 3.15 NPA of the company for the year 2019-2023

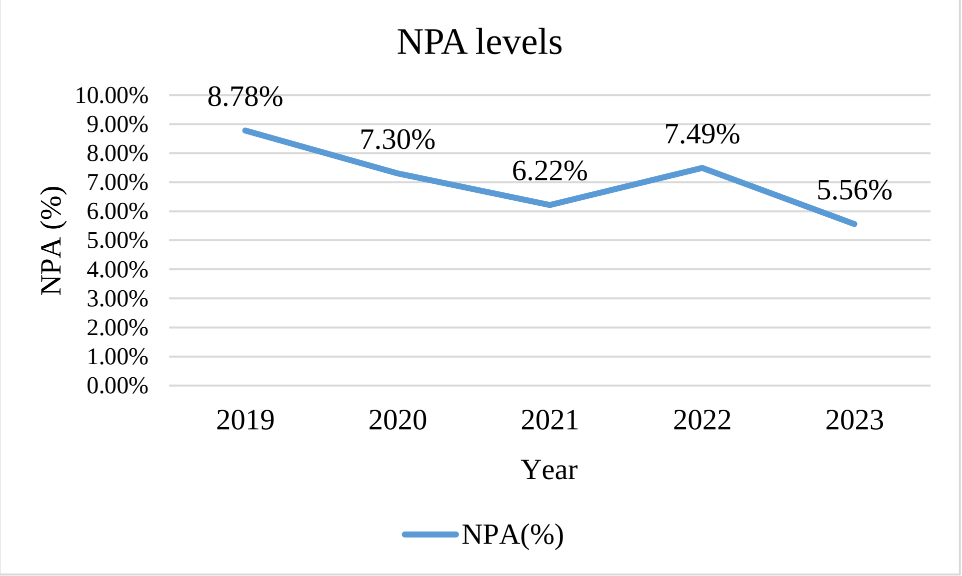


Figure 3.15 NPA of the company for the year 2019-2023.

INTERPRETATION: -

The data shows a positive trend where the AUM has increased while the NPA percentage has generally decreased over the five-year period. This suggests that the recovery processes might have been improving, leading to better management of NPAs as the institution grows. By further refining recovery strategies, leveraging technology, and enhancing customer engagement, the institution can continue to improve its NPA management for non-gold loans (VL& SME).

3.16 COMPARISON OF GOLD LOAN NPA AND NON-GOLD LOAN NPA OF THE COMPANY

(In lakhs)

GL				NGL		
Year	GL AUM	GL GNPA	GL NPA (%)	NGL AUM	NGL GNPA	NGL NPA (%)
2019	10,426	3	0.03	4,412	1,301	29
2020	14,118	6	0.04	5,639	1,436	25
2021	15,551	68	0.44	4,472	1,177	26
2022	14,000	37	0.27	8,253	1,630	20
2023	15,328	78	0.51	14,459	1,579	11

Table 3.16 Comparison of Gold loan NPA and Non-gold Loan NPA of the company for the year 2019-2023

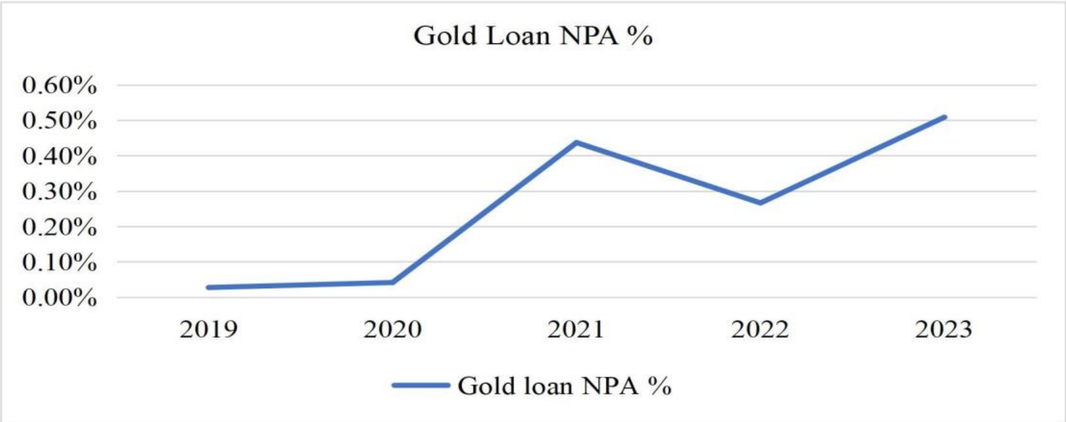


Figure 3.16.1 Gold loan NPA percentage for the year 2019-2023

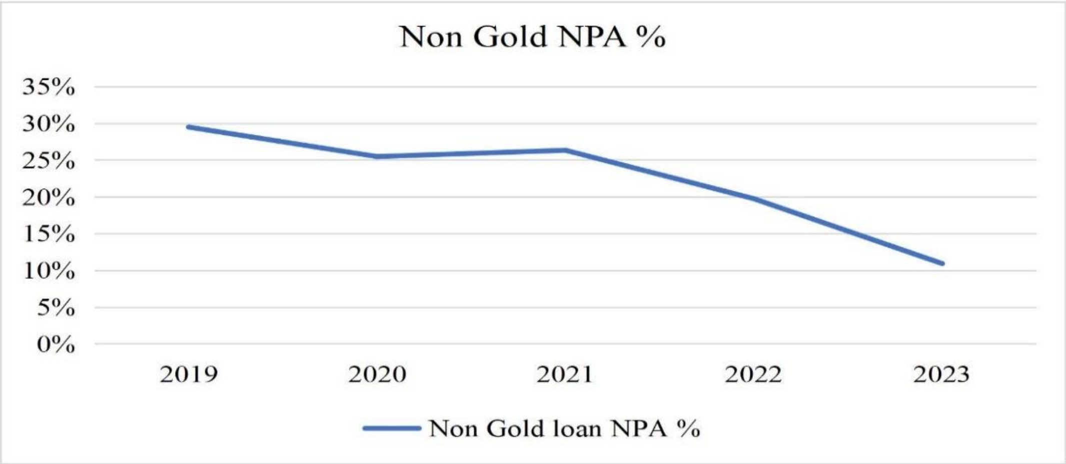


Figure 3.16.2 Non-gold loan NPA percentage for the year 2019-2023

INTERPRETATION: -

The data provided shows the trend in gold loan NPA (Non-Performing Assets) and non-gold loan NPA from 2019 to 2023. The rising trend in gold loan NPAs, particularly the sharp increases in 2021 and 2023, indicates growing risks or challenges in the gold loan segment. This could be due to economic factors affecting borrowers' ability to repay or possibly an increase in lending without adequate risk assessment. The consistent decline in non-gold loan NPAs suggests improvements in credit quality, better risk management, or an overall enhancement in the economic conditions affecting these borrowers.

3.17 SEGMENT WISE NPA PERCENTAGE OF THE COMPANY

SEGMENT	2019	2020	2021	2022	2023
Gold Loan	0.03%	0.04%	0.44%	0.27%	0.51%
Vehicle loan	10.34%	12.14%	21.56%	21.86%	6.56%
Business Loan	13.50%	16.55%	65.99%	89.41%	8.98%
Mortgage Loan	57.08%	48.80%	7.10%	15.28%	18.78%
Total	**8.78%**	**7.30%**	**6.22%**	**7.49%**	**5.56%**

Table 3.17 Segment wise NPA percentage of the company for the year 2019-2023

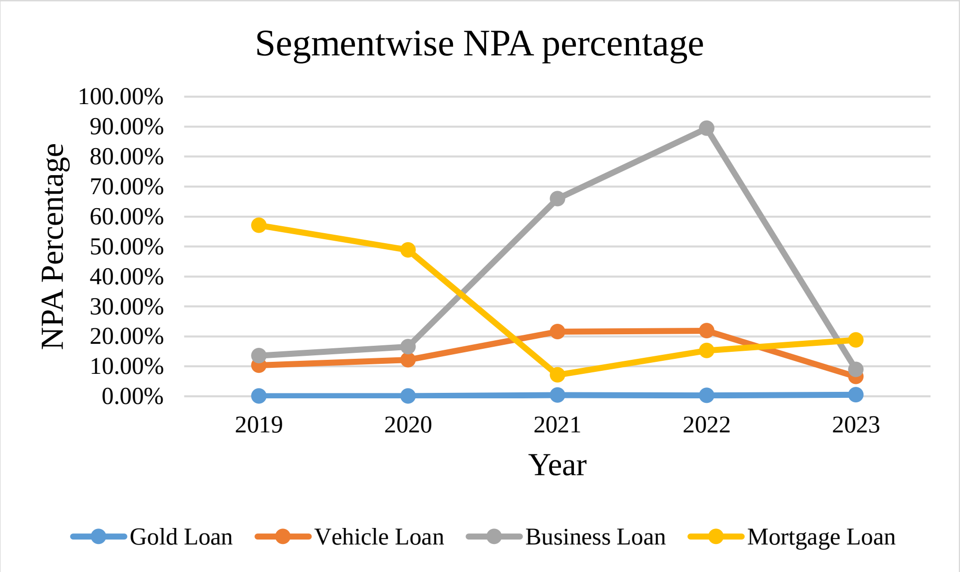


Figure 3.17 Segment wise NPA percentage of the company for the year 2019-2023

INTERPRETATION: -

The provided data shows the NPA percentage change in various loan segments over the years from 2019-2023. The percentage change in gold loan has seen fluctuations but remains relatively how compared to other segments. The vehicle loan segment saw substantial growth from 2019-2022, increasing from but in 2023 it decreased as 6.56%. business loan and mortgage loan decreasing in the year 2023 compared with the year 2019.

3.18 TREND OF NPA OF THE COMPANY

Year	AUM (in lakhs)	Gross NPA (in lakhs)	Trend in percentage
2019	14,839.40	1,303.45	-14
2020	19,757.11	1,442.32	-5
2021	20,022.79	1,245.38	-18
2022	22,252.86	1,667.11	10
2023	29,786.72	1,657.44	9

Table 3.18 Trend of NPA of the company for the year 2019-2023

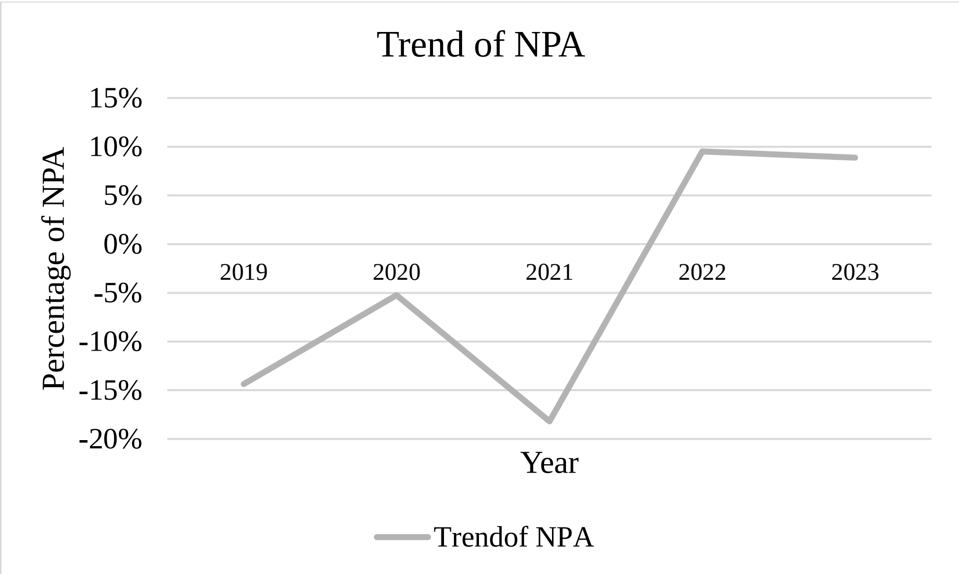


Figure 3.18 Trend of NPA of the company for the year 2019-2023

INTERPRETATION: -

The data provided shows the trend in Gross NPA (Non-performing Assets) and the corresponding percentage change from 2019 to 2023. The gross NPA values exhibit fluctuations over the five-year period. There were decrease in 2019 and 2021 followed by increase in 2022 and 2023. In 2019 and 2021, the Gross NPA decreased by 14% and 18% respectively. This indicates that during these years, there were improvements in managing non-performing assets, possibly through better recovery processes or stricter credit assessment. In 2022 and 2023, the Gross NPA increased by 10% and 9% respectively. This rise suggests challenges in maintaining the same level of asset quality as before.

3.19 Correlation coefficient between the AUM of the gold loan and gold loan NPA recovery rate

Correlation coefficient was carried out to examine AUM of gold loan and gold loan NPA recovery rate

H0: There is no significant relationship between AUM of gold loan and gold loan NPA recovery rate.

H1: There is a significant relationship between AUM of gold loan and gold loan NPA recovery rate.

Year	**GL AUM (in lakhs)**	**Gold loan NPA Recovery rate (%)**
2019	10,426	0.08
2020	14,118	0.28
2021	15,551	0.14
2022	14,000	0.79
2023	15,328	0.12

Table 3.19.1 Information about AUM of the gold loan and gold loan NPA recovery rate for the year 2019-2023.

		Gold Loan AUM	NPA recovery rate
Gold Loan AUM	Pearson Correlation	1	0.119
	Sig (2-tailed)		0.849
	N	5	5
NPA Recovery Rate	Pearson Correlation	0.119	1
	Sig (2-tailed)	0.849	
	N	5	5

Table 3.19.2 Correlation coefficient between the AUM of the gold loan and gold loan recovery rate for the year 2019-2023.

Correlation between the AUM of the gold loan and gold loan recovery rate

= 0.12

P value = 0.849

INTERPRETATION: -

The calculated correlation coefficient of 0.12 between the AUM of gold loans and the recovery rate of gold loan NPAs indicates a very less positive relationship. It indicating that NPA in gold loan is less. In other words, as the institution's managed assets increase, the efficiency of NPA recovery processes does not significantly improve. The P value is 0.849 which means its more than 0.05% significance level so it accept null hypothesis there is no significant relationship between the AUM of gold loan and NPA recovery rate and reject alternative hypothesis.

3.20 Correlation coefficient between the AUM of the non-gold loan and non-gold loan NPA recovery rate

Correlation coefficient was carried out to examine AUM of non-gold loan and non-gold loan NPA recovery rate

H0: There is no significant relationship between AUM of non-gold loan and non-gold loan NPA recovery rate

H1: There is a significant relationship between AUM of non-gold loan and non-gold loan NPA recovery rate

Year	NGL AUM (in lakhs)	Non-gold loan NPA Recovery rate (%)
2019	4,412	0.27
2020	5,639	0.24
2021	4,472	0.30
2022	8,253	0.24
2023	14,459	0.36

Table 3.20.1 Information about the AUM of non-gold loan and non-gold loan NPA recovery rate for the year 2019-2023.

		Gold Loan AUM	NPA recovery rate
GL	Pearson Correlation	1	0.675
	Sig (2-tailed)		0.211
	N	5	5
Rate	Pearson Correlation	0.675	1
	Sig (2-tailed)	0.211	
	N	5	5

Table 3.20.2 Correlation coefficient between the AUM of non-gold loan and non-gold loan NPA recovery rate for the year 2019-2023.

Correlation between the non-gold loan AUM of the company and non-gold loan recovery rate

= 0.67

P value = 0.211

INTERPRETATION: -

The correlation coefficient of 0.66 between the AUM of non-gold loans and the recovery rate of non-gold loan NPAs indicates a strong positive relationship. This suggests that as the AUM for non-gold loans increases, the efficiency of NPA recovery significantly increases. This correlation highlights that managing a larger portfolio of non-gold loans is associated with maintaining the high recovery rates. The P value is 0.211 which means its more than 0.05% significance level so it accept null hypothesis there is no significant relationship between the AUM of non-gold loan and NPA recovery rate and reject alternative hypothesis.

CHAPTER-IV

FINDINGS, RECOMMENDATIONS AND SUMMARY

4.1 FINDINGS

- The rise in Non-Performing Assets (NPAs) from 15 in 2019 to 66 in 2023, which led to an increase in the NPA percentage from 0.05% to 0.19%, suggests that there is an increasing difficulty in safeguarding the quality of loans, even with the quantity of gold loans remaining relatively consistent in recent years.
- The considerable decline in non-performing assets (NPAs) from 345 in 2022 to 151 in 2023, along with the corresponding decrease in the NPA percentage from 32.00% to 11.28%, indicates the success of recent initiatives to manage and reduce non-performing assets in the portfolio of vehicle loan.
- The NPA proportion decreased significantly from 84.59% in 2022 to 30.58% in 2023, indicating a notable improvement in loan quality control. This shows that the actions taken to reduce the high percentage of non-performing loans (NPAs) were successful in improving the condition of the loan portfolio.
- The rise in NPAs to 222 in 2023, together with the increase in mortgage loans from 267 in 2019 to 1,471 in 2023, shows that although lending activities are growing, maintaining loan quality is becoming more and more difficult.
- The inconsistent performance of non-performing asset (NPA) recovery procedures for gold loans between 2019 and 2023 specifically, a notable increase in 2022 and a subsequent sharp decline in 2023 emphasizes the necessity for continual improvement and modification of recovery methods.
- After times of decline, the NPA recovery efficiency for vehicle loans significantly improved in 2023, indicating that focused efforts and modifications can significantly improve recovery procedures.
- The variability in the success rate of non-performing asset (NPA) recovery procedures for small-business loans between 2019 and 2023 shows the difficulties in managing recovery strategies, particularly in years with a high number of non-performing assets.
- The variation in non-performing assets (NPAs) among various loan categories, showing significant rises and falls in gold, vehicle, and SME loans, shows the unequal effectiveness of recovery efforts and the difficulties in maintaining consistent NPA management.

- Varying provision coverage rates between 2019 and 2023 show inconsistent effectiveness in NPA recovery procedures and difficulties in properly handling NPAs.
- While the ratios for vehicle and mortgage loans are dropping, they show inadequate provisioning considering potential risks. In 2023, the provision coverage ratio for gold loans increased, indicating improved measures to mitigate risk.
- The reduction in average interest rates to 21.35% in 2023, combined with an extension of the loan period from 3 to 4 months, indicates that efforts are being made to increase the attraction and accessibility of gold loans for borrowers.
- There is an attempt to make car loans more accessible and attractive to consumers, as seen by the reduced interest rates of approximately 21-22% and the longer loan terms, which will start in 2021 at 45 months.
- The trend toward higher average interest rates and longer loan terms suggests a method to keep borrowing costs in balance while giving companies more flexible repayment arrangements.
- The consistent indicate interest rates around 22%, combined with purposeful modifications to loan terms, demonstrate efforts to maintain the attractiveness and controllability of mortgage loans for debtors amongst fluctuating market conditions.
- Growing AUM and declining NPA percentages show that NPA management is getting better as the institution expands, especially for non-gold loans (VL & SME).
- When comparing the NPA of gold loan vs non-gold loans there is a consistent decline in non-gold loan NPA % is due to high growth in the non-gold loan AUM. Gold loan NPA increases but it is nominal percentage only (less than 1%) which means there is less risk.
- The data shows differing directions in non-performing asset (NPA) percentages for various loan categories. Notable fluctuations can be observed in the gold and vehicle loan segments, whereas business and mortgage loans saw a decline by 2023 in comparison to 2019.

- The trend of changing Gross Non-Performing Asset (NPA) values between 2019 and 2023 suggests periods of improved NPA management alternating with difficulties in maintaining asset quality.
- The low correlation coefficient of 0.12 between AUM of gold loans and the recovery rate of gold loan NPAs suggests a weak positive relationship, indicating that increases in managed assets do not significantly enhance NPA recovery efficiency.
- The recovery rate of non-gold loan NPAs and the AUM of non-gold loans have a significant positive correlation (0.66), meaning that when the AUM of non-gold loans rises, it improves the effectiveness of NPA recovery.

4.2 RECOMMENDATIONS

- Implement stricter credit evaluation and monitoring procedures, particularly for gold loans, to proactively identify risks and prevent NPAs. Conduct frequent reviews of borrowers financial situations and require regular loan repayments.
- Examine the financial positions of potential borrowers in detail, including their cash flow, credit history, and business reliability. Regularly review the loan portfolio to evaluate credit policy success and make necessary adjustments.
- Keep LTV ratios at minimal levels for gold loans to avoid unexpected auction losses. Ensure timely interest payments and renew loans before maturity to manage overdue accounts efficiently.
- Strengthen the vehicle recovery, SME recovery, and legal departments to control NPA levels. Regularly assess and improve recovery strategies to sustain and enhance recovery efficiency.
- Implement proactive provisioning methods for mortgage and vehicle loans to minimize risks and ensure proper coverage. Align these tactics with the methodologies used in the gold loan market.
- Introduce borrower-friendly features such as flexible repayment options, loyalty discounts, and incentives like lower processing costs or interest rate reductions for on-time or early payments to improve loan performance and borrower satisfaction.
- Conduct regular surveys to understand borrower preferences for loan terms and structures. Use these insights to customize loan products to better meet borrower needs.
- Implement early warning systems and regular audits to quickly detect and manage potential NPA problems. Ensure proper field verification before disbursing loans and follow up diligently on EMI due and overdue accounts.
- Continuously monitor NPA trends and enhance recovery methodologies during low recovery periods and customer relationship should be improved through tele-calling, text message and personal visits to avoid loan defaults.
- Train and deploy specialized recovery agents focusing on gold loan recovery and invest in innovative recovery tools and training programs for recovery teams to maintain and improve high recovery rates as the loan portfolio grows.

4.3 SUMMARY

Rising non-performing assets (NPAs) have negatively impacted financial institution's capacity to lend and their profitability. Thus, NPA management is essential. Efficient management of NPA is essential for any organisation to minimise the risks. From the period 2019-2023 there is a decrease in the NPA level from 8.78% to 5.56% it shows NPA management of gold loan vs other loans by various strategies and methods. when comparing the gold loan with other loans gold loan comparatively low in nature. When comparing the NPA of gold loan and non-gold the NPA of gold is lower than NPA of non-gold. The main reason behind the lower NPA in gold loan is the increase in the gold rate, attitude towards the gold towards the customers and internal auction policy of the Manappuram asset finance ltd. Whereas in NGL segments the most of the recovery in non-gold segment are carried through legal ways, hence it takes more time gap to complete the recovery process.

Summarising the above study, it is concluding that the NPA management of gold loan is easier than that of non-gold hence, NPA level of gold loan is lower than NPA level of non-gold. Overall, while both gold and non-gold loans face their respective challenges, the data suggests that the organisation has been more successful in managing and recovering NPAs in gold and non-gold loan segments.

The findings revealed a rise in NPAs for gold loans, indicating difficulties in maintaining loan quality despite consistent loan quantities. In contrast, significant improvements were observed in vehicle loan NPAs due to recent successful initiatives. The study highlighted the need for continual enhancement of recovery procedures, particularly for gold and SME loans, and emphasized the importance of proactive credit evaluation, detailed borrower financial assessments, and the implementation of borrower-friendly features. The recommendations focused on stricter monitoring, early warning systems, and targeted recovery strategies to sustain and improve NPA management, thereby ensuring better loan portfolio health across all loan types.

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APPENDIX

Manappuram Asset Finance Limited

Notes to the financial statements for the year ended 31-March-19

(All amounts are in Indian Rupees unless otherwise stated)

22 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-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
A) Gold Loan						
Standard Asset	1,042,348,649	841,327,773	4,169,395	3,365,311	1,038,179,254	837,962,462
Sub Standard Asset	284,738	37,265	28,474	3,727	256,264	33,539
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - A	**1,042,633,387**	**841,365,038**	**4,197,869**	**3,369,038**	**1,038,435,518**	**837,996,000**
B) Hypothecation Loan						
Standard Asset	133,687,002	59,748,863	535,228	238,995	133,151,774	59,509,868
Sub Standard Asset	2,332,372	2,797,268	233,237	279,893	2,099,135	2,517,375
Doubtful Asset	13,080,378	12,001,500	6,595,212	6,466,357	6,485,166	5,535,144
Loss Asset	-	-	-	-	-	-
Total - B	**149,099,752**	**74,547,631**	**7,363,678**	**6,985,245**	**141,736,074**	**67,562,386**
C) Business Loan						
Standard Asset	103,373,787	124,000	413,495	496	102,960,292	123,504
Sub Standard Asset	287,837		28,784		259,053	-
Doubtful Asset	15,842,771	16,864,379	5,329,233	4,054,996	10,513,538	12,809,383
Loss Asset	-	-	-	-	-	-
Total - C	**119,504,395**	**16,988,379**	**5,771,512**	**4,055,492**	**113,732,883**	**12,932,887**

Manappuram Asset Finance Limited

Notes to the financial statements for the year ended 31-March-19

(All amounts are in Indian Rupees unless otherwise stated)

22 Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Prudential Norms) (contd.)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
D)Employee Personal Loan						
Standard Asset	122,192	474,900	489	1,900	121,703	473,000
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - D	**122,192**	**474,900**	**489**	**1,900**	**121,703**	**473,000**
E)Mortgage Loan						
Standard Asset	74,063,569	106,765,459	297,308	427,062	73,766,261	106,338,398
Sub Standard Asset	9,862,439	35,738,942	986,244	3,573,894	8,876,195	63,482,230
Doubtful Asset	88,654,713	84,791,385	24,857,361	21,309,155	63,797,352	32,165,049
Loss Asset	-	-	-	-	-	-
Total - D	**172,580,721**	**227,295,787**	**26,140,913**	**25,310,111**	**146,439,809**	**201,985,677**
Total (A+B+C+D+E)	**1,483,940,447**	**1,160,671,735**	**43,474,460**	**39,721,785**	**1,440,465,987**	**1,120,949,950**

Manappuram Asset Finance Limited

Notes to the financial statements for the year ended 31-March-19

(All amounts are in Indian Rupees unless otherwise stated)

	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	2019	2018	2019	2018	2019	2018
Standard Asset	1,353,595,199	1,008,440,995	5,415,915	4,033,764	1,348,179,285	1,004,407,231
Sub Standard Asset	12,767,386	38,573,475	1,276,739	3,857,513	11,490,646	34,715,962
Doubtful Asset	117,577,862	113,657,265	36,781,806	31,830,508	80,796,056	81,326,757
Loss Asset	-	-	-	-	-	-
TOTAL	**1,483,940,447**	**1,160,671,735**	**43,474,460**	**39,721,785**	**1,440,465,987**	**1,120,949,950**
GROSS NPA	130,345,248	152,230,740				
NET NPA	-	-	-	-	92,286,702	116,542,719
GROSS LOAN O/S	1,483,940,447	1,160,671,735	-	-	-	-
NET LOAN O/S	-	-	-	-	1,440,465,987	1,120,949,950
GROSS NPA %	**8.78%**	**13.12%**	-	-	-	-
NET NPA %	-	-	-	-	**6.41%**	**10.40%**

Manappuram Asset Finance Limited
Notes to the financial Statements for the year ended 31-March-2020
(All amounts are in Indian Rupees unless otherwise stated)

22 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-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
A) Gold Loan						
Standard Asset	1,411,165,109	1,042,348,649	5,644,660	4,169,395	1,405,520,449	1,038,179,254
Sub Standard Asset	585,472	284,738	58,547	28,474	526,925	256,264
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - A	**1,411,750,581**	**1,042,633,387**	**5,703,207**	**4,197,869**	**1,406,047,374**	**1,038,435,518**
B) Hypothecation Loan						
Standard Asset	168,928,207	133,687,002	675,713	535,228	168,252,494	133,151,774
Sub Standard Asset	10,245,567	2,332,372	1,024,557	233,237	9,221,010	2,099,135
Doubtful Asset	13,086,213	13,080,378	6,802,194	6,595,212	6,284,019	6,485,166
Loss Asset	-	-	-	-	-	-
Total - B	**192,259,987**	**149,099,752**	**8,502,464**	**7,363,678**	**183,757,523**	**141,736,074**
C) Business Loan						
Standard Asset	158,000,122	103,373,787	632,001	413,495	157,368,121	102,960,292
Sub Standard Asset	16,033,495	287,837	1,603,350	28,784	14,430,145	259,053
Doubtful Asset	15,303,082	15,842,771	7,043,502	5,329,233	8,259,580	10,513,538
Loss Asset	-	-	-	-	-	-
Total - C	**189,336,699**	**119,504,395**	**9,278,853**	**5,771,512**	**180,057,846**	**113,732,883**

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2020

(All amounts are in Indian Rupees unless otherwise stated)

22 Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Prudential Norms) (contd.)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
D)Employee Personal Loan						
Standard Asset	18,484	122,192	74	489	18,410	121,703
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - D	**18,484**	**122,192**	**74**	**489**	**18,410**	**121,703**
E)Mortgage Loan						
Standard Asset	93,366,886	74,063,569	373,468	297,308	92,993,418	73,766,261
Sub Standard Asset	3,456,844	9,862,439	360,323	986,244	3,096,521	8,876,195
Doubtful Asset	85,521,701	88,654,713	32,193,322	24,857,361	53,328,379	63,797,352
Loss Asset	-	-	-	-	-	-
Total - E	**182,345,431**	**172,580,721**	**32,927,113**	**26,140,913**	**149,418,318**	**146,439,809**
Total (A+B+C+D+E)	**1,975,711,182**	**1,483,940,447**	**56,411,711**	**43,474,460**	**1,919,299,471**	**1,440,465,987**

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2020

(All amounts are in Indian Rupees unless otherwise stated)

	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Standard Asset	1,831,478,808	1,353,595,199	7,325,916	5,415,915	1,824,152,892	1,348,179,285
Sub Standard Asset	30,321,378	12,767,386	3,046,777	1,276,739	27,274,601	11,490,646
Doubtful Asset	113,910,996	117,577,862	46,039,018	36,781,806	67,871,978	80,796,056
Loss Asset	-	-	-	-	-	-
TOTAL	**1,975,711,182**	**1,483,940,447**	**56,411,711**	**43,474,460**	**1,919,299,471**	**1,440,465,987**
GROSS NPA	144,232,374	130,345,248				
NET NPA	-	-	-	-	95,146,579	92,286,702
GROSS LOAN O/S	1,975,711,182	1,483,940,447	-	-	-	-
NET LOAN O/S	-	-	-	-	1,919,299,471	1,440,465,987
GROSS NPA %	**7.30%**	**8.78%**	-	-	-	-
NET NPA %	-	-	-	-	**4.96%**	**6.41%**

Note:-

Subsequent to the Balance Sheet date, but before the financials are approved by the Board, the company had fully recovered and settled 314 numbers of Gold loan accounts & 17 numbers of EMI loans under this category for which the total principal outstanding was ₹ 173.81 lakhs. As per policy, Company has classified these settled accounts in the financials as on 31.03.2020 as Standard Assets and Provisions are made accordingly. Due to the above treatment companies profit has been increased by ₹53 lakhs for the year 2019-20.

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2021

(All amounts are in Indian Rupees unless otherwise stated)

22. 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-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
A) Gold Loan						
Standard Asset	1,54,83,25,310	1,41,11,65,109	61,93,301	56,44,660	1,54,21,32,009	1,40,55,20,449
Sub Standard Asset	67,96,212	5,85,472	6,79,621	58,547	61,16,591	5,26,925
Doubtful Asset	-	-	-	-	-	-
Loss Asset		-		-	-	-
Total - A	**1,55,51,21,522**	**1,41,17,50,581**	**68,72,922**	**57,03,207**	**1,54,82,48,600**	**1,40,60,47,374**
B) Hypothecation Loan						
Standard Asset	12,06,35,013	16,89,28,207	11,92,993	6,75,713	11,94,42,020	16,82,52,494
Sub Standard Asset	2,85,66,515	1,02,45,567	28,56,651	10,24,557	2,57,09,863	92,21,010
Doubtful Asset	45,99,914	1,30,86,213	9,29,605	68,02,194	36,70,309	62,84,019
Loss Asset		-		-	-	-
Total - B	**15,38,01,442**	**19,22,59,987**	**49,79,249**	**85,02,464**	**14,88,22,193**	**18,37,57,523**
C) Business Loan						
Standard Asset	3,68,18,302	15,80,00,122	7,54,743	6,32,001	3,60,63,559	15,73,68,121
Sub Standard Asset	5,76,32,318	1,60,33,495	57,63,232	16,03,350	5,18,69,086	1,44,30,145
Doubtful Asset	1,37,97,310	1,53,03,082	43,72,704	70,43,502	94,24,606	82,59,580
Loss Asset		-		-		-
Total - C	**10,82,47,930**	**18,93,36,699**	**1,08,90,679**	**92,78,853**	**9,73,57,251**	**18,00,57,846**

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2021

(All amounts are in Indian Rupees unless otherwise stated)

22. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Prudential Norms) (Contd.)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
D)Employee Personal Loan						
Standard Asset	469	18,484	2	74	467	18,410
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - D	**469**	**18,484**	**2**	**74**	**467**	**18,410**
E)Mortgage Loan						
Standard Asset	17,19,61,142	9,33,66,886	14,48,131	3,73,468	17,05,13,010	9,29,93,418
Sub Standard Asset	96,89,329	34,56,844	9,68,933	3,60,323	87,20,396	30,96,521
Doubtful Asset	34,56,844	8,55,21,701	7,20,646	3,21,93,322	27,36,199	5,33,28,379
Loss Asset	-	-	-	-	-	-
Total - E	**18,51,07,315**	**18,23,45,431**	**31,37,710**	**3,29,27,113**	**18,19,69,605**	**14,94,18,318**
Total (A+B+C+D+E)	**2,00,22,78,678**	**1,97,57,11,182**	**2,58,80,562**	**5,64,11,711**	**1,97,63,98,116**	**1,91,92,99,471**

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2021

(All amounts are in Indian Rupees unless otherwise stated)

22. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Prudential Norms) (Contd.)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Standard Asset	1,87,77,40,236	1,83,14,78,808	95,89,170	73,25,916	1,86,81,51,066	1,82,41,52,892
Sub Standard Asset	10,26,84,374	3,03,21,378	1,02,68,437	30,46,777	9,24,15,936	2,72,74,601
Doubtful Asset	2,18,54,068	11,39,10,996	60,22,955	4,60,39,018	1,58,31,113	6,78,71,978
Loss Asset	-	-	-	-	-	-
TOTAL	**2,00,22,78,678**	**1,97,57,11,182**	**2,58,80,562**	**5,64,11,711**	**1,97,63,98,116**	**1,91,92,99,471**
Gross NPA	12,45,38,442	14,42,32,374				
Net NPA	-	-	-	-	10,82,47,050	9,51,46,579
Gross Loan O/S	2,00,22,78,678	1,97,57,11,182	-	-	-	-
Net Loan O/S	-	-	-	-	1,97,63,98,116	1,91,92,99,471
Gross NPA %	**6.22%**	**7.30%**	-	-	-	-
Net NPA %	-	-	-	-	**5.48%**	**4.96%**

(All amounts are in INR Thousands unless otherwise stated)

23. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Directions)

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
A) Gold Loan						
Standard Asset	13,96,297.80	15,48,325.31	5,585.18	6,193.30	13,90,712.61	15,42,132.01
Sub Standard Asset	3,198.67	6,796.21	319.87	679.62	2,878.80	6,116.59
Doubtful Asset	530.22	-	106.04	-	424.18	-
Loss Asset		-		-	-	-
Total - A	**14,00,026.68**	**15,55,121.52**	**6,011.09**	**6,872.92**	**13,94,015.59**	**15,48,248.60**
B) Hypothecation Loan						
Standard Asset	2,72,737.94	1,20,635.01	1,091.05	1,192.99	2,71,646.90	1,19,442.02
Sub Standard Asset	67,894.00	28,566.52	6,792.50	2,856.65	61,101.50	25,709.86
Doubtful Asset	8,398.82	4,599.91	2,244.76	929.61	6,154.06	3,670.31
Loss Asset	-	-	-	-	-	-
Total - B	**3,49,030.77**	**1,53,801.44**	**10,128.31**	**4,979.25**	**3,38,902.46**	**1,48,822.19**
C) Business Loan						
Standard Asset	1,985.41	36,818.30	7.99	754.74	1,977.42	36,063.56
Sub Standard Asset	15,596.08	57,632.32	1,559.93	5,763.23	14,036.15	51,869.09
Doubtful Asset	1,174.80	13,797.31	412.06	4,372.70	762.75	9,424.61
Loss Asset	-	-	-	-	-	-
Total - C	**18,756.29**	**1,08,247.93**	**1,979.98**	**10,890.68**	**16,776.32**	**97,357.25**

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2022

(All amounts are in INR Thousands unless otherwise stated)

23. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Directions) (Contd.)

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
D)Employee Personal Loan						
Standard Asset	-	.47	-	.00	-	.47
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - D	-	.47	-	.00	-	.47
E)Mortgage Loan						
Standard Asset	3,87,553.78	1,71,961.14	1,552.04	1,448.13	3,86,001.74	1,70,513.01
Sub Standard Asset	67,066.28	9,689.33	6,706.63	968.93	60,359.65	8,720.40
Doubtful Asset	2,852.21	3,456.84	1,652.21	720.65	1,200.00	2,736.20
Loss Asset	-	-	-	-	-	-
Total - E	4,57,472.28	1,85,107.32	9,910.88	3,137.71	4,47,561.39	1,81,969.61
Total (A+B+C+D+E)	22,25,286.02	20,02,278.68	28,030.26	25,880.56	21,97,255.76	19,76,398.12

(All amounts are in INR Thousands unless otherwise stated)

23. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Directions) (Contd.)

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
Standard Asset	20,58,574.94	18,77,740.24	8,236.26	9,589.17	20,50,338.67	18,68,151.07
Sub Standard Asset	1,53,755.03	1,02,684.37	15,378.92	10,268.44	1,38,376.10	92,415.94
Doubtful Asset	12,956.06	21,854.07	4,415.08	6,022.96	8,540.98	15,831.11
Loss Asset	-	-	-	-	-	-
TOTAL	**22,25,286.02**	**20,02,278.68**	**28,030.26**	**25,880.56**	**21,97,255.76**	**19,76,398.12**
Gross NPA	1,66,711.08	1,24,538.44				
Net NPA	-	-	-	-	1,46,917.08	1,08,247.05
Gross Loan O/S	22,25,286.02	20,02,278.68	-	-	-	-
Net Loan O/S	-	-	-	-	2,19,72,55,756	1,97,63,98,116
Gross NPA %	**7.49%**	**6.22%**	-	-	-	-
Net NPA %	-	-	-	-	**6.69%**	**5.48%**

Manappuram Asset Finance Limited
Notes to the financial Statements for the year ended 31-March-2023
(All amounts are in INR Thousands unless otherwise stated)

23. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Directions)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
A) Gold Loan						
Standard Asset	15,24,997.72	13,96,297.80	6,099.99	5,585.18	15,18,897.73	13,90,712.61
Sub Standard Asset	4,813.32	3,198.67	1,899.24	319.87	2,914.08	2,878.80
Doubtful Asset	2,983.91	530.22	943.33	106.04	2,040.58	424.18
Loss Asset		-		-	-	-
Total - A	**15,32,794.95**	**14,00,026.68**	**8,942.56**	**6,011.09**	**15,23,852.39**	**13,94,015.59**
B) Hypothecation Loan						
Standard Asset	4,94,958.54	2,72,737.94	1,979.83	1,091.05	4,92,978.70	2,71,646.90
Sub Standard Asset	25,998.63	67,894.00	2,599.86	6,792.50	23,398.77	61,101.50
Doubtful Asset	8,770.29	8,398.82	2,409.69	2,244.76	6,360.59	6,154.06
Loss Asset		-			-	-
Total - B	**5,29,727.45**	**3,49,030.77**	**6,989.39**	**10,128.31**	**5,22,738.06**	**3,38,902.46**
C) Business Loan						
Standard Asset	75,263.14	1,985.41	301.05	7.99	74,962.09	1,977.42
Sub Standard Asset	659.93	15,596.08	65.99	1,559.93	593.93	14,036.15
Doubtful Asset	6,769.06	1,174.80	2,281.76	412.06	4,487.30	762.75
Loss Asset	-	-	-	-		-
Total - C	**82,692.13**	**18,756.29**	**2,648.81**	**1,979.98**	**80,043.32**	**16,776.32**

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2023

(All amounts are in INR Thousands unless otherwise stated)

23. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Directions) (Contd.)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Standard Asset	28,12,928.72	20,58,574.94	11,251.72	8,236.26	28,01,677.00	20,50,338.67
Sub Standard Asset	1,14,662.09	1,53,755.03	12,884.11	15,378.92	1,01,777.97	1,38,376.10
Doubtful Asset	51,081.47	12,956.06	12,967.01	4,415.08	38,114.46	8,540.98
Loss Asset	-	-	-	-	-	-
TOTAL	**29,78,672.28**	**22,25,286.02**	**37,102.84**	**28,030.26**	**29,41,569.44**	**21,97,255.76**
Gross NPA	1,65,743.56	1,66,711.08	-	-	1,39,892.43	1,46,917.08
Net NPA	-	-	-	-	-	-
Gross Loan O/S	29,78,672.28	22,25,286.02	-	-	29,41,569.44	21,97,255.76
Net Loan O/S	-	-	-	-	-	-
Gross NPA %	**5.56%**	**7.49%**	-	-	**4.76%**	**6.69%**
Net NPA %	-	-	-	-		

Manappuram Asset Finance Limited

Notes to the financial Statements for the year ended 31-March-2023

(All amounts are in INR Thousands unless otherwise stated)

23. Gold and other loan portfolio classification and provision for Non Performing Assets (As per RBI Directions) (Contd.)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
D)Mortgage Loan						
Standard Asset	5,00,523.77	3,87,553.78	2,002.10	1,552.04	4,98,521.68	3,86,001.74
Sub Standard Asset	83,190.21	67,066.28	8,319.02	6,706.63	74,871.19	60,359.65
Doubtful Asset	32,558.22	2,852.21	7,332.23	1,652.21	25,225.99	1,200.00
Loss Asset	-	-	-	-	-	-
Total - D	**6,16,272.20**	**4,57,472.28**	**17,653.35**	**9,910.88**	**5,98,618.86**	**4,47,561.39**
E)Two Wheeler Loan						
Standard Asset	66,557.61	-	266.23	-	66,291.38	-
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - E	**66,557.61**	**-**	**266.23**	**-**	**66,291.38**	**-**
F)Micro Finance Loan						
Standard Asset	1,50,627.93	-	602.51	-	1,50,025.42	-
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - F	**1,50,627.93**	**-**	**602.51**	**-**	**1,50,025.42**	**-**
Total (A+B+C+D+E)	**29,78,672.28**	**22,25,286.02**	**37,102.84**	**28,030.26**	**29,41,569.44**	**21,97,255.76**

CHALAKUDY 680 307 CHARTERED ACCOUNTANTS

Manappuram Asset Finance Limited

Balance Sheet as at 31-March-19

(All amounts are in Indian Rupees unless otherwise stated)

	Notes	As at 31st March 2019	As at 31st March 2018
		Amount in ₹	*Amount in ₹*
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	297,500,000	247,500,000
Reserves and Surplus	4	(28,891,408)	(36,648,645)
		268,608,592	**210,851,355**
Non-Current Liabilities			
Long Term Borrowings	5	552,904,000	266,494,000
		552,904,000	**266,494,000**
Current Liabilities			
Short Term Borrowings	6	675,030,762	547,791,073
Other Current Liabilities	7	137,485,378	274,497,055
Short Term Provisions	8	43,474,459	40,242,247
		855,990,599	**862,530,375**
TOTAL		**1,677,503,190**	**1,339,875,729**
Assets			
Non-Current Assets			
Fixed Assets			
Tangible assets	9A	77,822,751	75,230,112
Intangible assets	9B	3,078,379	
Deferred Tax Assets *(Net)*	10	36,332,349	37,085,139
Long Term Loans and Advances	11	369,772,263	284,434,497
		487,005,742	**396,749,748**
Current Assets			
Cash and Cash Equivalents	13	18,925,208	22,294,675
Short Term Loans and Advances	11	1,126,778,389	886,984,068
Other Current Assets	12	44,793,851	33,847,238
		1,190,497,448	**943,125,981**
TOTAL		**1,677,503,190**	**1,339,875,729**

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

As per our Report of even date attached

For Manikandan &Associates

V.S.Prasannan
(Managing Director)
DIN: 2460606

V.Venugopalan
(Director)
DIN:1312286

A.K.Mohanan
(Director)
DIN:6440548

C.K.Manikandan
(Partner)
Chartered Accountants
Membership No: 208654
Firm Reg No: 008520S

Abhilash.P.B
(Chief Executive Officer)

Sasanth Sankar
(Chief Financial Officer)

Unnikrishnan.K.S
(Company Secretary)

Thrissur
Dated 24-05-2019

Manappuram Asset Finance Limited

Statement of profit and loss for the year ended 31-March-2019

(All amounts are in Indian Rupees unless otherwise stated)

	Notes	Year Ended 31st March 2019	Year Ended 31st March 2018
		Amount in ₹	Amount in ₹
Income			
Revenue From Operations	14	282,705,298	228,309,609
Other Income	15	7,252,346	4,751,302
Total Income (I)		**289,957,644**	**233,060,911**
Expenses			
Employee Benefit Expenses	16	86,222,484	66,606,643
Other Expenses	17	66,504,781	66,916,504
Finance Costs	18	122,766,802	102,610,367
Depreciation and Amortization	19	5,953,550	4,023,083
Total Expense (II)		**281,447,617**	**240,156,597**
Profit/(loss) before tax (I) - (II)		**8,510,027**	**(7,095,686)**
Tax expenses:			
Current tax		Nil	Nil
Deferred tax	10	752,790	(2,759,387)
Total tax expense		**752,790**	**(2,759,387)**
Profit/(loss) for the year		**7,757,237**	**(4,336,299)**
Earnings per equity share	20		
[nominal value of share ₹10]			
(Basic)		**0.29**	**(0.18)**
(Diluted)		**0.29**	**(0.18)**

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

As per our Report of even date attached

For Manikandan &Associates

V.S.Prasannan
(Managing Director)
DIN: 2460606

V.Venugopalan
(Director)
DIN:1312286

A.K.Mohanan
(Director)
DIN:6440548

C.K.Manikandan
(Partner)
Chartered Accountants
Membership No: 208654
Firm Reg No: 008520S

Abhilash.P.B
(Chief Executive Officer)

Sasanth Sankar
(Chief Financial Officer)

Unnikrishnan.K.S
(Company Secretary)

Thrissur
Dated 24-05-2019

Manappuram Asset Finance Limited
Balance Sheet as at 31-March-2020

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31st March 2020	As at 31st March 2019
I. Equity and Liabilities		*Amount in ₹*	*Amount in ₹*
1 Shareholders' Funds			
a Share Capital	3	347,500,000	297,500,000
b Reserves and Surplus	4	(2,592,731)	(28,891,408)
c Money received against share warrants		-	-
		344,907,269	268,608,592
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
a Long Term Borrowings	5	705,410,315	552,904,000
b Deffered Tax liabilities		-	-
c Other long term borrowings		-	-
d Long term Provisions		-	-
		705,410,315	552,904,000
4 Current Liabilities			
a Short Term Borrowings	6	734,500,975	675,030,762
b Trade payables		-	-
c Other Current Liabilities	7	363,288,388	137,485,378
d Short Term Provisions	8	57,216,115	43,474,459
		1,155,005,478	855,990,599
TOTAL		2,205,323,062	1,677,503,190
II. Assets			
1 Non-Current Assets			
a Property, plant & equipment			
i Tangible assets	9A	82,389,521	77,822,751
ii Intangible assets	9B	1,134,075	3,078,379
iii Capital work in progress		-	-
iv Intangible assets under development		-	-
b Non current Investments		-	-
c Deferred Tax Assets *(Net)*	10	29,721,139	36,332,349
d Long Term Loans and Advances	11	460,722,682	365,465,230
e Other Non current Assets		-	-
		573,967,417	482,698,709
2 Current Assets			
a Current Investments		-	-
b Inventories		-	-
c Trade receivables		-	-
d Cash and Cash Equivalents	12	36,638,243	18,925,208
e Short Term Loans and Advances	11	1,540,300,548	1,131,085,422
f Other Current Assets	13	54,416,854	44,793,851
		1,631,355,645	1,194,804,481
TOTAL		2,205,323,062	1,677,503,190

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

V.S.Prasannan (Managing Director) DIN: 2460606

V.Venugopalan (Director) DIN:1312286

A.K.Mohanan (Director) DIN:6440548

Abhilash.P.B (Chief Executive Officer)

Sasanth Sankar (Chief Financial Officer)

Unnikrishnan.K.S (Company Secretary)

Place: Thrissur

Dated :19-08-2020

As per our Report of even date attached

For Manikandan & Associates

C.K.Manikandan
(Partner)
Chartered Accountants
Membership No: 208654
Firm Reg No: 008520S
UDIN : 20208654AAAAFH9878

Manappuram Asset Finance Limited
Statement of profit and loss for the period ended 31-March-2020
(All amounts are in Indian Rupees unless otherwise stated)

	Particulars	Notes	Year Ended 31st March 2020	Year Ended 31st March 2019
			Amount in ₹	Amount in ₹
I	Revenue From Operations	14	39,69,70,670	28,27,05,298
II	Other Income	15	70,11,644	72,52,346
III	**Total Revenue (I+II)**		40,39,82,314	28,99,57,644
IV	Expenses			
	Cost of materials consumed		-	-
	Purchase of stock in trade		-	-
	Change in inventories of finished goods,		-	-
	Work in progress & stock-in-trade		-	-
	Employee Benefit Expenses	16	10,45,21,054	8,62,22,484
	Finance Costs	17	17,21,75,380	12,27,66,802
	Depreciation and Amortization	18	93,16,069	59,53,550
	Other Expenses	19	8,50,59,923	6,65,04,781
	Total Expense		37,10,72,426	28,14,47,617
V	Profit before exceptional and extra ordinary items and tax (III-IV)		3,29,09,888	85,10,027
VI	Exceptional Items		-	-
VII	Profit before extra ordinary items and tax (V-VI)		3,29,09,888	85,10,027
VIII	Extra ordinary items		-	-
IX	Profit before tax (VII-VIII)		3,29,09,888	85,10,027
X	**Tax expenses:**			
1	Current Tax		-	-
2	Deferred tax	10	66,11,210	7,52,790
XI	Profit / (Loss) for the period from continuing operations (IX-X)		2,62,98,678	77,57,237
XII	Profit / (Loss) from discontinuing Operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit / (Loss) from discontinuing Operations (After Tax) (XII-XIII)		-	-
XV	**Profit/(loss) for the year (XI+XIV)**		2,62,98,678	77,57,237
XVI	**Earnings per equity share** *[nominal value of share ₹10]*	20		
1	(Basic)		0.82	0.29
2	(Diluted)		0.82	0.29

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

V.S.Prasannan (Managing Director) DIN: 2460606

V.Venugopalan (Director) DIN:1312286

A.K.Mohanan (Director) DIN:6440548

Abhilash.P.B (Chief Excecutive Officer)

Sasanth Sankar (Chief Financial Officer)

Unnikrishnan.K.S (Company Secretary)

Place: Thrissur
Dated :19-08-2020

As per our Report of even date attached

For Manikandan & Associates

C.K.Manikandan
(Partner)
Chartered Accountants
Membership No: 208654
Firm Reg No: 008520S
UDIN:20208654AAAAFH9878

Manappuram Asset Finance Limited
Balance Sheet as at 31-March-2021
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
I. Equity and Liabilities			
1 Shareholders' Funds			
a Share Capital	3	34,75,00,000	34,75,00,000
b Reserves and Surplus	4	61,86,691	(25,92,731)
c Money received against share warrants		-	-
		35,36,86,691	34,49,07,269
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
a Long Term Borrowings	5	1,03,77,90,000	70,54,10,315
b Deffered Tax liabilities		-	-
c Other long term borrowings		-	-
d Long term Provisions		-	-
		1,03,77,90,000	70,54,10,315
4 Current Liabilities			
a Short Term Borrowings	6	69,24,92,489	73,45,00,975
b Trade payables		-	-
c Other Current Liabilities	7	21,57,48,348	36,32,88,388
d Short Term Provisions	8	2,62,98,421	5,72,16,115
		93,45,39,258	1,15,50,05,478
TOTAL		2,32,60,15,949	2,20,53,23,062
II. Assets			
1 Non-Current Assets			
a Property, plant & equipment			
i Tangible assets	9A	8,63,33,358	8,23,89,521
ii Intangible assets	9B	32,42,095	11,34,075
iii Capital work in progress		-	-
iv Intangible assets under development		-	-
b Non current Investments		-	-
c Deferred Tax Assets *(Net)*	10	2,22,74,042	2,97,21,139
d Long Term Loans and Advances	11	33,95,96,682	46,07,22,682
e Other Non current Assets		-	-
		45,14,46,178	57,39,67,417
2 Current Assets			
a Current Investments		-	-
b Inventories		-	-
c Trade receivables		-	-
d Cash and Cash Equivalents	12	7,23,29,137	3,66,38,243
e Short Term Loans and Advances	11	1,71,51,95,613	1,54,03,00,548
f Other Current Assets	13	8,70,45,021	5,44,16,854
		1,87,45,69,771	1,63,13,55,645
TOTAL		2,32,60,15,949	2,20,53,23,062

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

As per our Report of even date attached

For Manikandan &Associates

V.S.Prasannan
(Managing Director)
DIN: 2469606

V.Venugopalan
(Director)
DIN:1312286

A.K.Mohanan
(Director)
DIN:6440548

Vani C R
(Partner)
Chartered Accountants
Membership No: 232105
Firm Reg No: 008520S
UDIN : 21232105AAAAAZ8682

MANIKANDAN & ASSOCIATES CHALAKUDY 680 307 CHARTERED ACCOUNTANTS

Abhilash.P.B
(Chief Excecutive Officer)

Krishnaraj P
(Chief Financial Officer)

Unnikrishnan.K.S
(Company Secretary)

Place : Thrissur
Dated : 26-07-2021

Manappuram Asset Finance Limited

Statement of profit and loss for the period ended 31-March-2021

(All amounts are in Indian Rupees unless otherwise stated)

	Particulars	Notes	Year Ended 31st March 2021	Year Ended 31st March 2020
I	Revenue From Operations	14	46,50,36,562	39,69,70,670
II	Other Income	15	70,19,125	70,11,644
III	**Total Revenue (I+II)**		47,20,55,687	40,39,82,314
IV	Expenses			
	Cost of materials consumed		-	-
	Purchase of stock in trade		-	-
	Change in inventories of finished goods,		-	-
	Work in progress & stock-in-trade		-	-
	Employee Benefit Expenses	16	9,54,36,982	10,45,21,054
	Finance Costs	17	19,56,47,611	17,21,75,380
	Depreciation and Amortization	18	86,45,105	93,16,069
	Other Expenses	19	15,60,99,470	8,50,59,923
	Total Expense		45,58,29,168	37,10,72,426
V	Profit before exceptional and extra ordinary items and tax (III-IV)		1,62,26,519	3,29,09,888
VI	Exceptional Items		-	-
VII	Profit before extra ordinary items and tax (V-VI)		1,62,26,519	3,29,09,888
VIII	Extra ordinary items		-	-
IX	Profit before tax (VII-VIII)		1,62,26,519	3,29,09,888
X	Tax expenses:			
1	Current Tax		-	-
2	Deferred tax	10	74,47,097	66,11,210
XI	Profit / (Loss) for the period from continuing operations (IX-X)		87,79,422	2,62,98,678
XII	Profit / (Loss) from discontinuing Operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit / (Loss) from discontinuing Operations (After Tax) (XII-XIII)		-	-
XV	**Profit/(loss) for the year (XI+XIV)**		87,79,422	2,62,98,678
XVI	Earnings per equity share	20		
	[nominal value of share `10]			
1	(Basic)		0.25	0.82
2	(Diluted)		0.25	0.82

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

V.S.Prasannan (Managing Director) DIN: 2460606

V.Venugopalan (Director) DIN:1312286

A.K.Mohanan (Director) DIN.6440510

Abhilash.P.D (Chief Executive Officer)

Krishnaraj P (Chief Financial Officer)

Unnikrishnan.K.S (Company Secretary)

As per our Report of even date attached

For Manikandan &Associates

MANIKANDAN & ASSOCIATES CHALAKUDY 680 307 CHARTERED ACCOUNTANTS

Vani C R (Partner)

Chartered Accountants

Membership No: 232105

Firm Reg No: 008520S

UDIN : 21232105AAAAAZ8682

Place: Thrissur

Dated : 26-07-2021

Manappuram Asset Finance Limited
Balance Sheet as at 31-March-2022
(All amounts are in INR Thousands unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
I. Equity and Liabilities			
1 Shareholders' Funds			
a Share Capital	3	3,97,500.00	3,47,500.00
b Reserves and Surplus	4	-6,411.07	6,186.69
c Money received against share warrants		-	-
		3,91,088.93	3,53,686.69
2 Share application money pending allotment		-	-
3 Non-Current Liabilities			
a Long Term Borrowings	5	11,70,444.00	10,37,790.00
b Deffered Tax liabilities		-	-
c Other long term borrowings		-	-
d Long term Provisions		-	-
		11,70,444.00	10,37,790.00
4 Current Liabilities			
a Short Term Borrowings	6	7,40,596.73	7,78,221.08
b Trade payables		-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		-	-
c Other Current Liabilities	7	1,71,011.15	1,30,019.75
d Short Term Provisions	8	28,030.26	26,298.42
		9,39,638.14	9,34,539.26
TOTAL		**25,01,171.07**	**23,26,015.95**
II.Assets			
1 Non-Current Assets			
a Property, plant & equipment and Intangible Assets			
i Property, plant & equipment	9A	1,00,034.96	86,333.36
ii Intangible assets	9B	1,578.69	3,242.10
iii Capital work in progress		-	-
iv Intangible assets under development		-	-
b Non current Investments		-	-
c Deferred Tax Assets *(Net)*	10	20,753.91	22,274.04
d Long Term Loans and Advances	11	7,77,549.42	3,22,924.04
e Other Non current Assets	12	13,147.41	18,402.65
		9,13,064.39	4,53,176.18
2 Current Assets			
a Current Investments		-	-
b Inventories		-	-
c Trade receivables		-	-
d Cash and Cash Equivalents	13	26,104.59	72,329.14
e Short Term Loans and Advances	11	14,49,230.57	16,80,809.06
f Other Current Assets	14	1,12,771.53	1,19,701.57
		15,88,106.68	18,72,839.77
TOTAL		**25,01,171.07**	**23,26,015.95**

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

V.S.Prasannan (Managing Director) DIN: 02460606

V.Venugopalan (Director) DIN:01312286

A.K.Mohanan (Director) DIN:06440548

David Romy Jose P (Chief Excecutive Officer)

Krishnaraj P (Chief Financial Officer)

Unnikrishnan.K.S (Company Secretary)

Place : Chalakudy

Dated : 20-07-2022

As per our Report of even date attached

For Manikandan &Associates

MANIKANDAN & ASSOCIATES CHALAKUDY 680 307 CHARTERED ACCOUNTANTS

Vani C R (Partner)

Chartered Accountants

Membership No: 232105

Firm Reg No: 008520S

UDIN :22232105ANUBJK3883

Manappuram Asset Finance Limited

Statement of profit and loss for the period ended 31-March-2022

(All amounts are in INR Thousands unless otherwise stated)

	Particulars	Notes	Year Ended 31st March 2022	Year Ended 31st March 2021
I	Revenue From Operations	15	5,22,140.13	4,65,036.56
II	Other Income	16	15,045.34	7,019.13
III	**Total Income (I+II)**		5,37,185.47	4,72,055.69
IV	Expenses			
	Cost of materials consumed		-	-
	Purchase of stock in trade		-	-
	Change in inventories of finished goods,		-	-
	Work in progress & stock-in-trade		-	-
	Employee Benefit Expenses	17	1,55,207.04	95,436.98
	Finance Costs	18	1,98,718.40	1,95,647.61
	Depreciation and Amortization	19	12,157.65	8,645.11
	Other Expenses	20	1,82,180.01	1,56,099.47
	Total Expense		5,48,263.10	4,55,829.17
V	Profit before exceptional and extra ordinary items and tax (III-IV)		-11,077.63	16,226.52
VI	Exceptional Items		-	-
VII	Profit before extra ordinary items and tax (V-VI)		-11,077.63	16,226.52
VIII	Extra ordinary items		-	-
IX	Profit before tax (VII-VIII)		-11,077.63	16,226.52
X	Tax expenses:			
1	Current Tax		-	-
2	Deferred tax	10	1,520.13	7,447.10
XI	Profit / (Loss) for the period from continuing operations (IX-X)		-12,597.77	8,779.42
XII	Profit / (Loss) from discontinuing Operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit / (Loss) from discontinuing Operations (After Tax) (XII-XIII)		-	-
XV	**Profit/(loss) for the year (XI+XIV)**		-12,597.77	8,779.42
XVI	Earnings per equity share	21		
	[nominal value of share `10]			
1	(Basic)		-0.36	0.25
2	(Diluted)		-0.36	0.25

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

As per our Report of even date attached

For Manikandan & Associates

V.S.Prasannan
(Managing Director)
DIN: 02460606

V.Venugopalan
(Director)
DIN:01312286

A.K.Mohanan
(Director)
DIN:06440548

Vani C R
(Partner)
Chartered Accountants
Membership No: 232105
Firm Reg No: 008520S
UDIN :22232105ANUBJK3883

MANIKANDAN & ASSOCIATES CHALAKUDY 680 307 CHARTERED ACCOUNTANTS

David Romy Jose P
(Chief Excecutive Officer)

Krishnaraj P
(Chief Financial Officer)

Unnikrishnan.K.S
(Company Secretary)

Place : Chalakudy
Dated : 20-07-2022

Manappuram Asset Finance Limited
Balance Sheet as at 31-March-2023
(All amounts are in INR Thousands unless otherwise stated)

	Particulars	Notes	As at 31st March 2023	As at 31st March 2022
I. Equity and Liabilities				
1	Shareholders' Funds			
a	Share Capital	3	5,22,500.00	3,97,500.00
b	Reserves and Surplus	4	(4,483.06)	(6,411.07)
c	Money received against share warrants		-	-
			5,18,016.94	3,91,088.93
2	Share application money pending allotment		-	-
3	Non-Current Liabilities			
a	Long Term Borrowings	5	14,61,219.00	11,70,444.00
b	Deffered Tax liabilities		-	-
c	Other long term borrowings		-	-
d	Long term Provisions		-	-
			14,61,219.00	11,70,444.00
4	Current Liabilities			
a	Short Term Borrowings	6	10,39,794.71	7,40,596.73
b	Trade payables		-	-
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		-	-
c	Other Current Liabilities	7	2,33,691.92	1,71,011.15
d	Short Term Provisions	8	37,102.84	28,030.26
			13,10,589.48	9,39,638.14
	TOTAL		**32,89,825.41**	**25,01,171.07**
II.Assets				
1	Non-Current Assets			
a	Property, plant & equipment and Intangible Assets			
i	Property, plant & equipment	9A	1,32,323.00	1,00,034.96
ii	Intangible assets	9B	4,678.84	1,578.69
iii	Capital work in progress		-	-
iv	Intangible assets under development		-	-
b	Non current Investments		-	-
c	Deferred Tax Assets *(Net)*	10	19,357.07	20,753.91
d	Long Term Loans and Advances	11	14,16,708.80	7,77,549.42
e	Other Non current Assets	12	66,824.54	13,147.41
			16,39,892.24	9,13,064.39
2	Current Assets			
a	Current Investments		-	-
b	Inventories		-	-
c	Trade receivables		-	-
d	Cash and Cash Equivalents	13	21,711.78	26,104.59
e	Short Term Loans and Advances	11	15,65,957.09	14,49,230.57
f	Other Current Assets	14	62,264.30	1,12,771.53
			16,49,933.17	15,88,106.68
	TOTAL		**32,89,825.41**	**25,01,171.07**

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

As per our Report of even date attached

For Manikandan &Associates

V.S.Prasannan
(Managing Director)
DIN: 02460606

V.Venugopalan
(Director)
DIN:01312286

A.K.Mohanan
(Director)
DIN:06440548

Vani C R
(Partner)
Chartered Accountants
Membership No: 232105
Firm Reg No: 008520S
UDIN : 23232105BGZORF9741

David Romy Jose P
(Chief Excecutive Officer)

Krishnaraj P
(Chief Financial Officer)

Unnikrishnan.K.S
(Company Secretary)

Chalakudy
Dated 23 June 2023

Manappuram Asset Finance Limited

Statement of profit and loss for the period ended 31-March-2023

(All amounts are in INR Thousands unless otherwise stated)

	Particulars	Notes	Year Ended 31st March 2023	Year Ended 31st March 2022
I	Revenue From Operations	15	5,24,110.78	5,00,016.92
II	Other Income	16	1,08,168.21	37,168.55
III	**Total Income (I+II)**		6,32,278.99	5,37,185.47
IV	Expenses			
	Employee Benefit Expenses	17	2,26,880.23	1,55,207.04
	Finance Costs	18	2,26,850.09	1,98,718.40
	Depreciation and Amortization	19	16,568.17	12,157.65
	Other Expenses	20	1,58,655.66	1,82,180.01
	Total Expense		6,28,954.15	5,48,263.10
V	Profit before exceptional and extra ordinary items and tax (III-IV)		3,324.84	(11,077.63)
VI	Exceptional Items		-	-
VII	Profit before extra ordinary items and tax (V-VI)		3,324.84	(11,077.63)
VIII	Extra ordinary items		-	-
IX	Profit before tax (VII-VIII)		3,324.84	(11,077.63)
X	Tax expenses:			
1	Current Tax			-
2	Deferred tax	10	1,396.83	1,520.13
XI	Profit / (Loss) for the period from continuing operations (IX-X)		1,928.01	(12,597.77)
XII	Profit / (Loss) from discontinuing Operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit / (Loss) from discontinuing Operations (After Tax) (XII-XIII)		-	-
XV	**Profit/(loss) for the year (XI+XIV)**		1,928.01	(12,597.77)
XVI	Earnings per equity share	21		
	[nominal value of share `10]			
1	(Basic)		0.04	-0.36
2	(Diluted)		0.04	-0.36

Summary of significant accounting policies 2.1

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

For and on behalf of the Board

As per our Report of even date attached

For Manikandan &Associates

V.S.Prasannan
(Managing Director)
DIN: 02460606

V.Venugopalan
(Director)
DIN:01312286

A.K.Mohanan
(Director)
DIN:06440548

Vani C R
(Partner)
Chartered Accountants
Membership No: 232105
Firm Reg No: 008520S
UDIN : 23232105BGZORF9741

David Romy Jose P
(Chief Excecutive Officer)

Krishnaraj P
(Chief Financial Officer)

Unnikrishnan.K.S
(Company Secretary)

Chalakudy
Dated 23 June 2023