

Private Equity

Impact & ESG Report

2025



Advancing Sustainable Growth and Community
Value Across a Diverse Investment Portfolio

मुख • संकल्प • विकास • विजयगाथा • समृद्धि

About the Report

Motilal Oswal Alternate Investment Advisors Pvt. Ltd. (Motilal Oswal Alternates) introduces the **Impact & ESG Report 2025** – our inaugural disclosure dedicated to capturing how sustainability, responsible investment and measurable impact together define our value creation journey. This report presents data and narratives across Indian Business Excellence Funds (IBEF) I-V, covering 47 unique companies, representing 51 investments.

We built this report through extensive engagement and multi-level validation, integrating quantitative reporting with qualitative insights. It measures our portfolio against global standards like the International Finance Corporation (IFC) Performance Standards, and United Nations Sustainable Development Goals (UN SDGs), along with our proprietary Social and Environment Management System (SEMS) framework. The scope of this report encompasses annual portfolio data—financial year (FY2025) for listed companies and calendar year (CY 2025) for others—using the most recent and available information to track core KPIs across sectors, establishing baseline impacts across funds to guide and elevate future performance.

● PANCHASUTRA

पंचसूत्र

The Framework Shaping
Our Impact Report

We believe responsible investing must be guided by intent, not merely compliance. Reflecting our roots and ethos, this inaugural report adopts a **Panchasutra** (पंचसूत्र) representation—five thematic pillars that structure this year's Impact and ESG reporting narrative. Organized around Mukha, Sankalpa, Vikaas, Vijayagatha, and Samriddhi, the report presents how commercial value is created alongside meaningful and measurable impact.

The Panchasutra is Motilal Oswal Alternates' operational blueprint, blending Indian heritage with global standards. Each "Sutra" or pillar defines our journey from intent to performance. This framework proves that responsible growth isn't peripheral; it is central to our investment conviction, ensuring enduring success and meaningful societal value.

१ Mukha मुख

In Indian tradition, Mukha represents the "face." For Motilal Oswal Alternates, this is our visible impact footprint. This section showcases our portfolio-wide performance in gender inclusion, employment generation, healthcare, climate action, financial inclusion and community development, proving how our collective identity is defined by measurable, positive change.

२ Sankalpa संकल्प

Sankalpa represents a "solemn vow." At Motilal Oswal Alternates, this is our commitment to embedding ESG into every investment. Using an IFC-aligned, KPI-driven framework, we integrate due diligence, committee oversight, and portfolio monitoring into a single, repeatable process.

३ Vikaas विकास

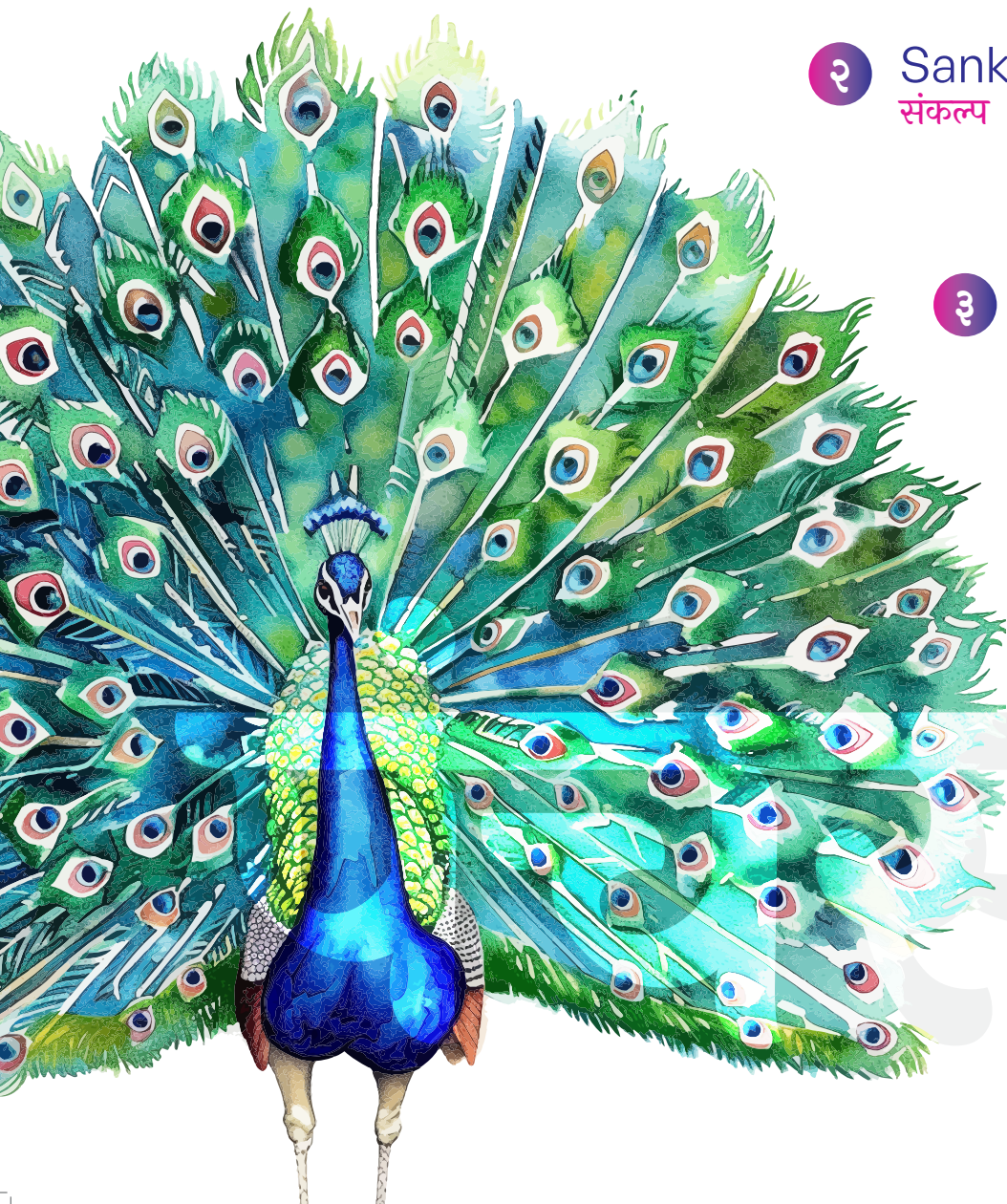
Vikaas means "progress." For us, it represents how growth capital drives sustainable advancement, from job creation to rural expansion. Through our select investee companies we showcase how responsible scaling creates financial and social value.

४ Vijayagatha विजयगाथा

Vijayagatha, meaning "tales of victory", is a sub section of Vikaas, celebrating enterprises and entrepreneurs achieving milestones through purposeful stewardship and ESG consciousness. The section highlights victories of inclusion, innovation and resilience.

५ Samridhi समृद्धि

Samridhi denotes "abundance and sustained prosperity." It links our current achievements with long-term commitments to scale impact and ESG integration. This final stage of the Panchasutra philosophy ensures that shared prosperity remains the foundation for all future funds.





A Message

from Motilal Oswal Alternates Private Equity Team

Motilal Oswal Alternates, established in 2006, is a leading mid-market growth investor with a two-decade track record of building high-impact, future ready businesses. Anchored by the Motilal Oswal Group's almost four decades of legacy as a trusted financial institution, we combine disciplined capital allocation with a clear, purpose-driven approach to sustainable value creation.

Our investment philosophy—rooted in Quality, Growth, Longevity and Price (QGLP)—prioritizes resilient fundamentals, robust cash flows and prudent governance. As growth investors, we partner with high-calibre entrepreneurs building category-defining businesses in 4 sectors—Financial Services, Life Sciences, Niche Manufacturing, and Consumer. Going beyond capital, we work alongside portfolio companies to professionalize governance, enhance disclosures, institutionalize safety, and embed ESG metrics directly into strategic decision-making.

Across the investment lifecycle, from sector screening and enhanced due diligence to Investment Committee oversight and active portfolio monitoring, ESG considerations are embedded within structured, repeatable processes. By identifying material risks and opportunities early, we track key KPIs to ensure sustainability is consistently embedded in every commercial decision.

The outcomes of this approach are reflected across our portfolio. Businesses supported by Motilal Oswal Alternates have expanded responsibly into untapped geographies, strengthened workplace safety cultures, improved access to finance and healthcare, created meaningful employment opportunities, and enhanced environmental performance tracking. These are not incidental outcomes but the result of aligned intent between our team and the entrepreneurs we back.

Anchored in a Panchasutra (पंचसूत्र) framework of representation, our inaugural Impact & ESG report reflects how we translate responsible investing principles into structured measurement and accountable performance. By consolidating portfolio-wide data, aligning with globally recognized standards, we aim to provide stakeholders' an insight into how sustainability and financial performance intersect within our investment strategy.

As India advances toward its next phase of economic growth, the responsibility on capital allocators is clear. Financial returns must be durable, institutions must be resilient, and growth must be inclusive. At Motilal Oswal Alternates, we remain committed to deploying disciplined capital alongside visionary entrepreneurs to build enterprises that generate competitive returns while contributing positively to communities, markets and the environment. Through structured ESG integration, collaborative stewardship, and measurable accountability, we strive to create value that endures well beyond market cycles.

The Private Equity Team
Motilal Oswal Alternates



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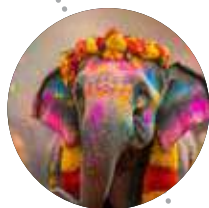
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Motilal Oswal Alternates strategies prioritize financial returns while systematically incorporating ESG and impact considerations within disciplined investment frameworks; however, the firm cannot guarantee comprehensive coverage of all ESG risks or uniform implementation across portfolio holdings. Selected case studies illustrate specific outcomes and may not represent overall portfolio results. Historical portfolio results, impact metrics, and case studies do not indicate future performance, and no assurance exists that current or future funds will achieve comparable outcomes. ESG integration seeks long-term value enhancement but offers no guarantees of superior returns, risk mitigation, or uniform portfolio implementation.

No representations are made regarding suitability for investment decisions, and this report does not constitute an offer to sell, solicitation to buy, or recommendation of securities or investment opportunities. Recipients must conduct independent due diligence and consult professional advisors before acting on any information herein.





मुख Mukha

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Measuring What Matters: Portfolio Impact Unpacked



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Investment Discipline and Sector Vision: Shaping Sustainable Impact



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Empowering Stories of Growth



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Positioning ESG as a Strategic Value Driver

Mukha

Measuring What Matters: Portfolio Impact
Unpacked



मुख



Measuring What Matters: Portfolio Impact Unpacked

MUKHA reflects Motilal Oswal Alternates' core identity by directing disciplined private equity into underserved Indian markets, driving UNSDG-aligned growth across financial services, life sciences, niche manufacturing, and consumer sectors for base-of-the-pyramid communities.

Fund Portfolio Companies

The 5 India Business Excellence Funds (IBEF) have deployed over ~\$ 2.1 Bn (₹ 17,000 crores) across 51 investments (in 47 unique companies) out of which 30 remain active.



Companies	IBEF III	Year 2018	Number of Investments 11	Fund size in Mn \$ (₹ Cr) 320 (2,300 Cr)	Exits 4¹

Companies	IBEF IV	Year 2022	Number of Investments 13	Fund size in Mn \$ (₹ Cr) 550 (4,500 Cr)	Exits -

Companies	IBEF V	Year 2025	Number of Investments 3	Fund size in Mn \$ (₹ Cr) 950 (~8,500 Cr)	Exits Currently in deployment phase

Deep Roots in Underserved India

Motilal Oswal Alternates' portfolio companies maintain strong penetration in India's Low-Income States (LIS)², generating ~12.5% of total revenue from these markets. Notably, 26 of 47 investee companies operate in LIS, with 14 companies headquartered in Tier II/III cities, demonstrating deep reach into semi-urban and rural areas—creating measurable impact across four pillars: Environment, Social, Governance & Economic.

Aligned with International Finance Corporation (IFC) Performance Standards, we embed ESG due diligence and monitoring via Board oversight, regular reviews, data privacy and zero-tolerance policies, code of conduct and grievance redressal mechanisms—for inclusive development.



1. Includes 2 complete and 2 partial exits
 2. Indian states identified in economic analyses (as per World Bank India reports) as having lower per capita incomes and growth efficiency, currently including, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, and Uttar Pradesh.

Investment Highlights

Assets Under Management (AUM)



₹17,000 Cr

Sector-wise Investments

~₹2,800 Cr
Financial Services

~₹2,600 Cr
Consumer

~₹2,000 Cr
Lifesciences

~₹1,600 Cr
Niche Manufacturing

~₹75 Cr
Others

Portfolio Impact at Glance³

Employment Generation & Human Capital Management

Human Capital Development; Labor Management



~2,59,000

Employees across the portfolio

~1,50,000

New hires since investments

~64,000

Blue-collar workforce, supporting large-scale job creation⁴

Portfolio LTIFR of 0.27⁵

Reflecting exemplary safety performance

Team Size



51

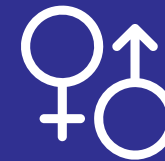
With 31% females

20%

Females in senior management

Gender Balance

Women Empowerment



~38,000

Women employees

16.5%


Women representation on boards

12%

Women in senior management

Financial Inclusion

Access to Finance, Consumer Financial Protection



29 Mn+
Active customers served

₹1,92,932 Cr
AUM across financial services portfolio

~21%
First-time borrowers

~57%
Branches in rural & semi-urban regions

Community Development

Community Development



5 Mn+
Community program beneficiaries


25,000+
Community initiatives supported

~12.5%
Portfolio revenue linked to low-income regions⁶

55%
Portfolio companies operate in LIS (26 out of 47)

Corporate Governance

Corporate Governance




100%
Portfolio companies with ESG adoption

57%
Board-level/Senior Management ESG oversight across portfolio

55%
Portfolio companies ISO certified⁷

Healthcare Accessibility

Access to healthcare; Work Place Health & Safety



3 Mn+ Patients reached

56 Mn+ Diagnostic tests conducted


Climate Action

Carbon Emissions; Water Management; Waste Management

10.5 Emission intensity (tCO ₂ e/ ₹ Cr revenue)	33.1 Water use intensity (m ³ / ₹ Cr revenue)
24.2 Energy intensity (MWh / ₹ Cr revenue)	3.3 Waste generation intensity (MT / ₹ Cr revenue)

100%
Portfolio companies channel all generated waste through authorized recyclers—demonstrating comprehensive waste management compliance.

In the next section, discover Sankalpa, unpacking the commitments powering our impact today.



6. This figure is based on revenue data currently available for select portfolio companies and may not capture LIS-linked revenues for all investee companies.

7. Includes ISO 27001, ISO 9001, ISO 14001, ISO 22000, ISO 45001, ISO 13485, ISO 45000, ISO 14064, and ISO 9002 certifications, aggregated across all portfolio companies.



Sankalpa

Investment Discipline and Sector Vision:
Shaping Sustainable Impact

संकल्प





Our Commitment to Growth

Sankalpa – our resolute vow traces its origins to 1987, when the Motilal Oswal Group was established by Mr. Motilal Oswal and Mr. Raamdeo Agrawal as a small sub-broking unit, founded on research-driven value investing, customer-first principles, and ethical practices. Over nearly four decades, the Group has grown into a diversified financial services powerhouse with over 9,800 employees across 550+ cities, serving 14.5+ million clients through broking, wealth management, asset management, and more, while crossing ₹1,80,000 + crore in AUM.

MO group's ESG maturity reflects a deeply embedded commitment to sustainable growth. Recognized as a Great Place to Work® for the fifth consecutive year, the Group ensures 100% benefit coverage for permanent staff and provides skill training to almost its entire workforce. Social responsibility extends through the Motilal Oswal Foundation, which has impacted over 18,650 lives via financial literacy and rural development programs.

Operational integrity is further reinforced by a responsible supply chain, with ~99% of inputs sourced domestically and 80%+ of value chain partners integrated into ESG programs. On the Environment front, the Group prioritizes a digital-first, low-carbon strategy, utilizing emissions tracking, rainwater harvesting, and sewage treatment while pursuing LEED certification to minimize its ecological footprint.



In 2006, with India’s GDP approaching \$1 trillion, Motilal Oswal Group pivoted from an exclusive focus on public markets to actively providing growth capital to private enterprises, establishing Motilal Oswal Alternates. Since then, Motilal Oswal Alternates have raised over ~₹17,000 crore across five India Business Excellence Funds, investing in 47 mid-market enterprises. Driven by strategic exits, successful IPOs, and consistent portfolio compounding, our funds have delivered strong performance, achieving ~5x+ MOIC and strong IRRs across mature vintages, underscoring repeatable value creation.

Our LP base features premier domestic and global institutions, reputed family offices and high net-worth individuals (HNIs). These partnerships have expanded our success metrics beyond financial returns to include global development priorities like sustainable industrialization. Through disciplined, patient capital, we catalyze India’s economic transformation, proving that principled enterprise leadership creates enduring value for investors, businesses, and society alike.

Our investment philosophy is anchored in the QGLP framework – **Quality, Growth, Longevity, and Price** – which embeds long-term orientation into every investment decision and ensures alignment between our principles and execution.



Quality

We prioritize enterprises led by ethical and capable entrepreneurs with strong governance practices and stakeholder accountability.



Growth

We focus on sectors supported by structural tailwinds that enable broader economic participation and sustained expansion.



Longevity

We assess sustainability through a multi-decadal perspective, evaluating institutional resilience beyond short-term market cycles.



Price

We maintain valuation discipline to align investor and entrepreneur interests while preserving reinvestment capacity for long-term value creation.

As long-term partners, we prioritize collaboration over control to build sustainable institutions. Our mandate targets four pillars of India’s development:



Financial Services for credit access,



Manufacturing for self reliance and global competitiveness,



Lifesciences for affordable healthcare, &



Consumer sectors to transition unorganized markets into structured, value-driven ecosystems and enable higher penetration into under penetrated sub sectors, as GDP per capita rises vs. national incomes.

These sectors align with India’s structural economic priorities through scalable, policy-supported industries. Our capital allocation across funds—focusing on mid-market growth equity and scalable business models with resilient risk-return profiles—is deliberately concentrated in these four high-conviction sectors) balancing growth, resilience, and impact.



We integrate systematic impact measurement via an IFC-aligned KPI framework, seamlessly extending our QGLP methodology and Social and Environment Management System (SEMS) focused due diligence. ESG considerations are incorporated throughout the investment lifecycle— from evaluation and selection to portfolio oversight— supporting operational resilience, regulatory preparedness and responsible business practices.

These 12 KPIs are carefully selected as the most material, high impact indicators consistently emerging across our four sectors— enable focused tracking of cross cutting ESG priorities aligned with IFC performance standards, World Bank Environment Health & Safety (EHS) Guidelines and our priorities, while bridging risk, compliance and value. Targeting environment, social, governance & economic pillars— driving employment generation, financial inclusion, healthcare access, community development, gender balance and climate action.

12 Core KPIs

Human Capital Development



Labor Management



Women Empowerment




Access to Finance



Corporate Governance




Energy consumption and Emissions management




Community Development



Workplace Health & Safety




Water Management



Consumer Financial Protection



Access to Healthcare



Waste Management




These align with 10 out of 17 UN SDGs: No Poverty (1), Good Health (3), Gender Equality (5), Decent Work (8), Industry & Innovation (9), Reduced Inequalities (10), Responsible Consumption (12), Climate Action (13), Peace & Justice (16), Partnerships (17).

This framework provides consistent, decision-relevant tracking for Motilal Oswal Alternates and LP reporting. By aggregating annual portfolio data portfolio companies, we measure core KPIs throughout the sectors, setting baseline to drive future performance.

10/17 UN SDGs













Portfolio Impact metrics by Sector



Financial Services

10

Portfolio Companies

Access to Finance

29 Mn+

Active customers/
borrowers

₹ 1,92,932 Cr

AUM across financial
services portfolio

~21%

First-time
borrowers

Community Development



~57%

Branches located in rural
and semi-urban areas

Consumer Financial Protection

Regulated financial platforms serving mass-market and underserved customers

Women Empowerment

26.3%

Women in
Board level

18%

Women employees
in senior
management

9,625

Women employees

Expanded credit access for women-led enterprises

Human Capital Development

~43,000

New hires since
investment

1 Lakh+

Total employees

Corporate Governance



Strengthened governance and compliance frameworks across portfolio companies



Financial services play a critical role in advancing sustainable development by expanding access to credit and financial products for the underserved. At Motilal Oswal Alternates, we prioritize responsible lending to enable income generation, asset creation, and business formalization—strengthening financial resilience, deepening local economic participation, and reinforcing financial inclusion as a cornerstone of equitable, long-term growth.



Vinit Mehta
Managing Director (Financial Services)



Innovation-led product businesses, both on pharmaceuticals and medical devices front, are creating enduring and lasting impact in resource-constrained low- and middle-income countries. This, coupled with expanding access to quality healthcare services at affordable prices, remain central to the investment philosophy and decision-making within the life sciences sector at Motilal Oswal Alternates.



Rohit Mantri

Managing Director (Lifesciences) & Co-Head


Life Sciences



7
Portfolio companies




Access to Healthcare



3 Mn+
Patients diagnosed

56 Mn+
Essential services/
tests delivered

Workplace Health & Safety



0.15
LTIFR

Strengthened clinical and operational safety protocols

Community Development



Expanded diagnostics networks improving healthcare coverage

Human Capital Development




~2,100
New hires since investment

~7,000
Total employees

Employment & skill development across healthcare platforms

Corporate Governance



Enhanced accreditation, data governance, and compliance standards



Manufacturing is central to India's long-term growth story, driving import substitution, export competitiveness, and large-scale employment. Investments in electronics, auto components, and construction materials not only strengthen domestic supply chains but also create durable jobs and operating resilience, making manufacturing a powerful lever for sustainable, inclusive economic growth and a core focus area for Motilal Oswal Alternates.




Prakash Bagla
Managing Director (Niche Manufacturing)

Niche Manufacturing



12

Portfolio Companies



Skilled employment generated across manufacturing operations

79,000+

Total employees


61,500+

New hires since investment

~53,000

Blue-collar workforce

Human Capital Development



Climate Action

<h3 style="font-size: 24px;">12.3</h3> <p>Carbon emissions intensity (tCO₂e/ ₹ Cr revenue)</p>	<h3 style="font-size: 24px;">22.6</h3> <p>Energy intensity (MWh/ ₹ Cr revenue)</p>
<h3 style="font-size: 24px;">3.4</h3> <p>Waste generation intensity (MT/ ₹ Cr revenue)</p>	<h3 style="font-size: 24px;">31.2</h3> <p>Water use intensity (m³/ ₹ Cr revenue)</p>

Workplace Health & Safety

0.11

LTIFR

Improved safety standards across production facilities

Corporate Governance

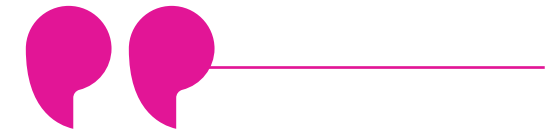
ESG and compliance systems embedded across operations

Consumer



13
Portfolio Companies



India's consumer sector is expanding through formalization, rising per capita consumption, and greater women workforce participation. At Motilal Oswal Alternates, we back scalable businesses across consumption themes that strengthen value chains, create stable livelihoods, and elevate sourcing and employment standards—enabling inclusive growth and building resilient, responsibly developed consumer ecosystems across urban and emerging markets.



Human Capital Development



~20,000
Total employees


~11,000 **~11,000**
New hires since investment Blue-collar workforce

Labor Management



Formalized supply chains supporting rural and informal workers

Women Empowerment



5,000+
Women employees

Increased participation of women across consumer value chains

Community Development



3.3 Lakhs+
Beneficiaries from community development programs

19.5%
Revenue generated from low-income states

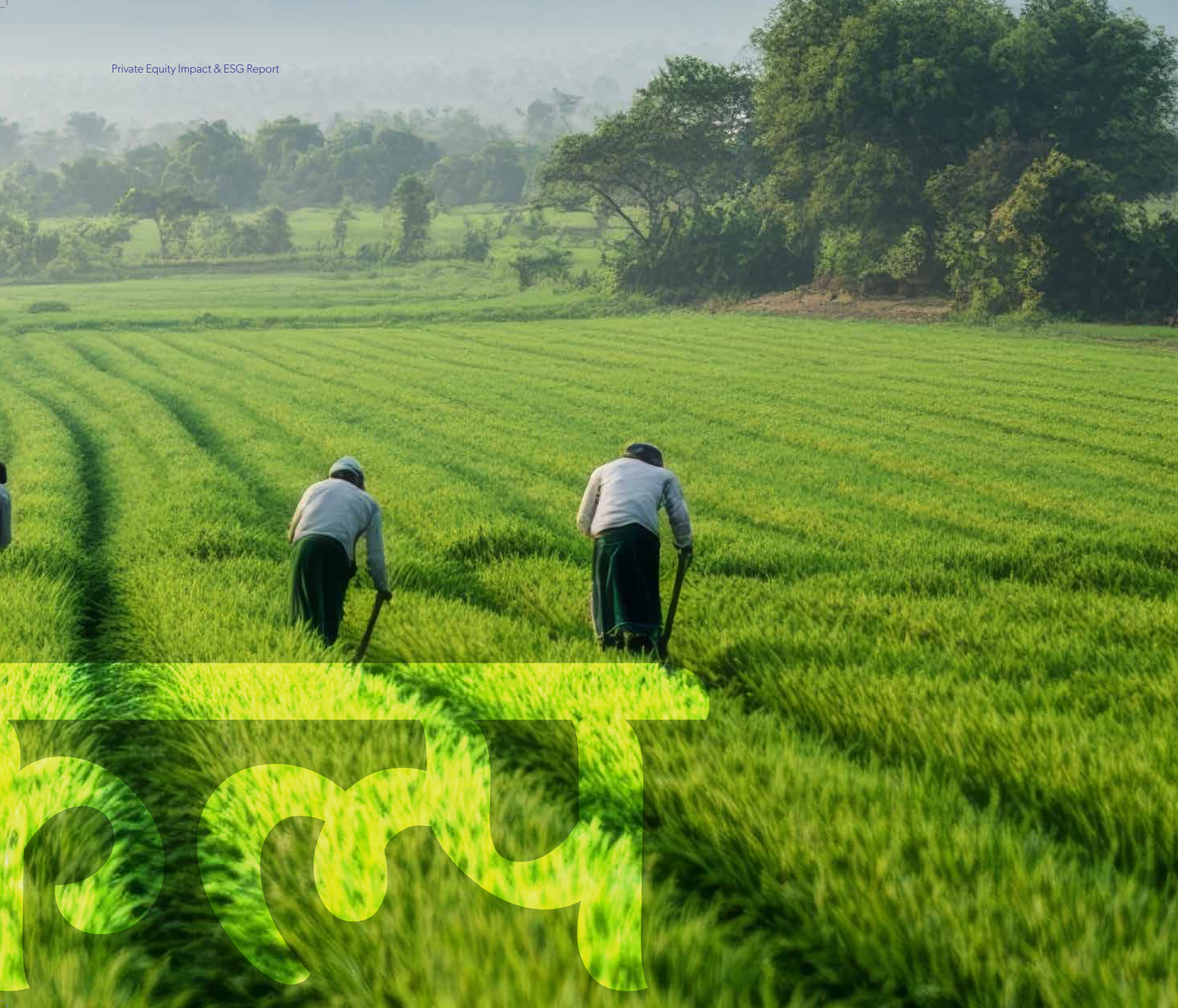


Vijay Dhanuka
Managing Director (Consumer) & Co-Head

Sector-specific ESG indicators – ranging from customer protection in Financial Services to resource efficiency in Manufacturing – strengthen compliance and exit readiness. Consistent performance across these areas translates into tangible business outcomes, reflects in revenue growth, market expansion, improved governance, and operational advances. Several portfolio companies are progressing toward IPOs, validating our QGLP methodology.

Motilal Oswal Alternates reflects a proven commitment, tested through cycles and executed with discipline. Thoughtfully deployed capital – aligned with India's needs – builds enduring institutions and shared value. Featured portfolio companies – AU Small Finance Bank, Molbio Diagnostics, VVDN Technologies and N. Ranga Rao & Sons – illustrate measurable progress in financial inclusion, healthcare access, employment, and community development. These outcomes are further elaborated in the Vikaas and Vijayagatha portfolio narratives that follow.





Dive into Vikaas & Vijayagatha: spotlighting select portfolio companies' successful and impactful journeys.



Vikaas

Empowering Stories of Growth



विकास

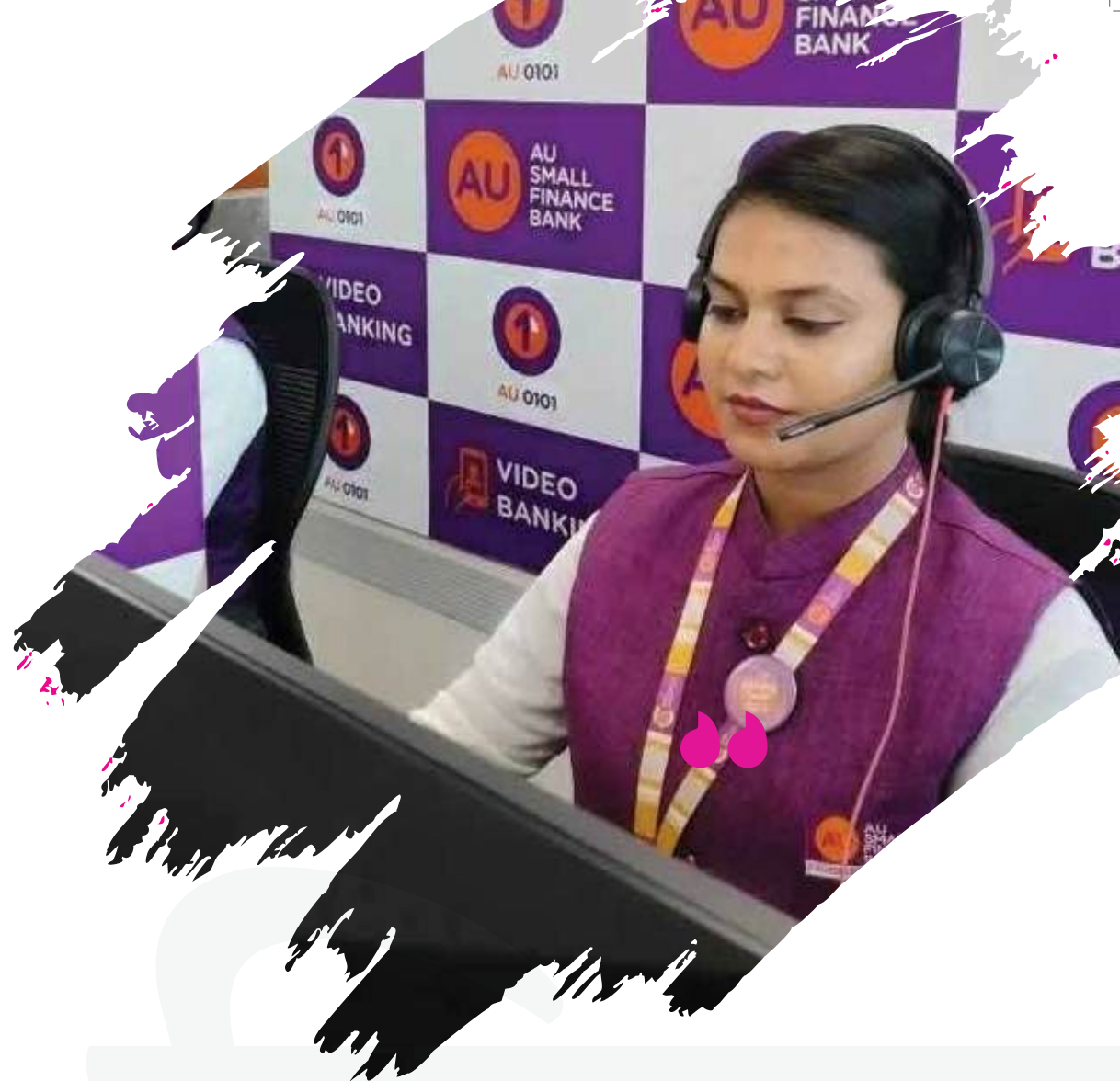




From Credit Access to Wealth Creation: Trust, Literacy, and Responsible Scale

AU Small Finance Bank (AU SFB) is a prominent Indian scheduled commercial bank with corporate office in Mumbai, Maharashtra. Founded in 1996, AU SFB received Small Finance Bank approval in 2015 and in 2025, received in-principle approval to transition into a universal bank. AU SFB's journey has always been guided by the belief that finance must translate into real, lived progress at the grassroots. The principles of trust, inclusion, and long-term partnership that define AU SFB as an institution are most clearly reflected in the lives of customers who have grown alongside the bank over the years.

Jagdish Saini's journey is one such example, where sustained access to formal credit, built on mutual trust and discipline, transformed a small trading operation into a stable, respected livelihood, illustrating how AU SFB's philosophy of responsible banking creates enduring impact beyond balance sheets.



SDG 1.4

Expand inclusive access to resources, services, technology, and finance for vulnerable communities



SDG 8.3

Enable MSME growth and decent work through access to finance



SDG 10.2

Promote social, economic, and political inclusion for all, regardless of age, gender, disability, or background

Jagdish Saini's Story: From One Shop to a Life of Stability



Coming from Shahpura, a humble town in Rajasthan, I used to run a single fruit and vegetable shop in 2014, struggling with scarce capital and the uncertainty of informal cash flows.

My journey changed when I partnered with AU Small Finance Bank. Starting with an initial loan of ₹6 lakh, AU SFB provided more than just capital; they offered end-to-end support and a genuine partnership. This funding built my credibility, allowing for better inventory and timely payments to farmers. AU SFB's trust shifted my mindset from daily survival to bold, long-term planning. Their seamless service made complex paperwork effortless, ensuring I stayed focused on growth.

Even during the COVID-19 pandemic, they patiently restructured my support, standing by me until operations normalized.



This stability allowed me to expand, adding a second shop at Jaipur's Muhana Mandi. By November 2025, AU SFB approved a ₹45 lakh loan to further scale my business.

Today, I am a respected leader in the Shahpura Mandi. Beyond financial success, this partnership brought family peace and societal respect. I now mentor others, helping fellow traders access formal credit. My bond with AU SFB is built on enduring trust – transforming a small shop into a legacy of security.



AU Small Finance Bank is empowering financial inclusion through innovative digital banking and robust governance that balances technology, customer trust, and nationwide impact with unwavering resilience.

We proudly showcase the Vijayagatha of AU Small Finance Bank – where technological and social initiatives have shaped industries, communities, and stakeholders across India.

A Legacy of Permanence: Governance, Partnership, and Social Progress

Founded in 1996, AU Small Finance Bank began by providing dignified credit to those ignored by traditional systems. As a first-generation institution founded by Mr. Sanjay Agarwal, a merit-holder Chartered Accountant, the journey was not backed by privilege or capital, but by conviction. Sanjay bypassed the gap between rigid banks and exploitative moneylenders, choosing to finance livelihoods through conviction. This mission transformed grassroots entrepreneurship, turning financial exclusion into a platform for national contribution.



AU SFB's partnership with Motilal Oswal Alternates began at a defining moment – when it was still a growing NBFC and long before scale was assured. Motilal Oswal Alternates believed in intent, not just numbers.

The partnership was built on mutual respect and a shared belief in institution building, governance discipline, and long-term value creation. Motilal Oswal Alternates' support strengthened governance frameworks, professionalized leadership systems, and reinforced focus on ESG and sustainability, well before these became mainstream imperatives.

Over the years, AU SFB has built businesses – financing livelihoods, not balance sheets – believing that credit is not merely a product, but a responsibility that must be delivered with empathy, discipline, and integrity. The evolution to a regulated bank ensures its role as a public custodian. Operating across 21 states and 4 Union Territories with ₹1,29,898 crores in loan portfolio and having crossed ₹1,38,415 crores deposits as on 31st December 2025. AU SFB has successfully combined diverse retail growth with impeccable quality.

Scale has not diluted AU SFB's purpose. With deep rural presence, the bank delivers finance to underserved markets. Advanced digital platforms enhance transparency, ensuring technology acts as a bridge for inclusion rather than a barrier.



Looking ahead, AU SFB's ambition is permanence. The Company's focus continues to remain on deepening financial inclusion, strengthening digital capabilities, enhancing ESG practices, and upholding the highest standards of governance and compliance.

By prioritizing patient growth and rigorous governance, AU SFB is building a timeless institution – one that proves when a business is rooted in integrity, it does more than grow; it uplifts entire societies.



As we have grown in scale, we have stayed true to our legacy—lending rooted in trust.



Sanjay Agarwal
Founder, MD & CEO





VIJAYAGATHA

विजयगाथा

Deepening Financial Inclusion at National Scale

As AU Small Finance Bank transitioned into a nationally scaled institution, its focus shifted from simple balance-sheet expansion to the quality and durability of financial inclusion. Today, AU SFB's sustainability is defined by its ability to integrate financial access with literacy, customer protection, and rigorous governance. This ensures that growth drives long-term economic participation rather than mere short-term credit penetration.

Today, AU SFB is strategically focusing more on vehicle loans, small business loans, and SME financing. By fostering income generation, the bank strengthens resilience against economic volatility and climate disruptions. Crucially, AU SFB treats microfinance not as a standalone vertical, but as a vital gateway to formal banking. This approach ensures long-term economic mobility, transforming first-time borrowers into sustainable participants within the broader financial ecosystem through trust and discipline.



Recognizing that access without understanding creates vulnerability, AU SFB invests heavily in financial literacy. Using culturally rooted outreach such as street plays and folk performances, the bank dismantles the fear of formal institutions. This behavioral shift allows millions to adopt digital payments and manage credit responsibly. Complementing this, the AU SFB Foundation drives skilling and livelihood programs, extending social impact into broader community building.

AU SFB's governance architecture reflects its maturity. ESG oversight at the Board level, robust data privacy frameworks, and structured grievance mechanisms ensure that growth remains trusted and compliant. Furthermore, the Bank's commitment to tracking Scope 1 and 2 emissions aligns its operations with global climate goals. Collectively, these measures ensure that AU SFB's journey remains resilient, scalable, and rooted in the empowerment of its customers.




From Motilal Oswal Alternates' perspective, AU Small Finance Bank exemplifies how financial inclusion, when anchored in literacy, governance, and ethical execution, becomes a sustainable engine of national development.

As AU SFB deepens digital inclusion, strengthens ESG integration in credit decision-making, and expands AU SFB Foundation's community initiatives, its role evolves from a provider of finance to a builder of long-term financial capability across Bharat.

ESG Metrics Snapshot⁸

Access to Finance




25 Lakh+
Microfinance customers served

~45%
Customers first-time borrowers

~38%
Customers rely solely on AU SFB for banking services



Community Development



18,300
Financial literacy camps are conducted, reaching over 19 lakh citizens

2.7 Lakh+
CSR beneficiaries (AU Ignite, AU Udyogini & Bano Champion)



Geographic Inclusion

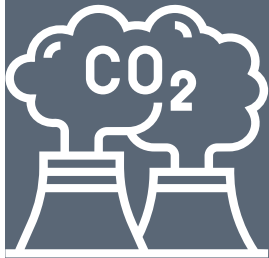
Ranked among India's Top 50 Workplaces by GPTW

2,726⁹
Banking touchpoints across India

~32%
Touchpoints located in unbanked rural areas (795 locations)



Climate Action



1.5
Emission intensity
(tCO₂e/ ₹ Cr revenue)

2.2
Energy intensity
(MWh / ₹ Cr revenue)

0.009
Waste generation
intensity
(MT / ₹ Cr revenue)

30.5
Water use intensity
(m³/ ₹ Cr revenue)



Human Capital Development



50,946
Total employees

30,229
New hires since investment

4,438
Women employees

20%
Women representation
on the Board

86%
Employee Happiness
Index

Data Privacy & Security

Nil
Data breaches reported

Corporate Governance



Board-level Sustainability
Committee in place

MD & CEO-led Sustainability
Steering Committee overseeing
ESG integration

AA (Leaders)
MSCI ESG Rating

ISO 27001: 2022
Certified





Democratizing Healthcare: Molecular Innovation to Point of Care Diagnostics with Truenat



Build capacity for early warning and management of health risks



End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water borne diseases and other communicable diseases



Prevent and treat non-communicable diseases while promoting mental health



Strengthen universal health coverage and affordable access to care

Molbio was born from a simple but radical idea: that world-class diagnostics should work not just in advanced laboratories, but in the most challenging corners of the country. What began as a small, purpose-driven engineering effort evolved through years of persistence and a transformative partnership, into Truenat, a rugged molecular diagnostic platform built to deliver fast, reliable results even where power, infrastructure, and climate pose constant barriers. By bringing accurate diagnosis closer to patients, Truenat transformed tuberculosis and other infectious disease detection by enabling faster, more accurate diagnosis while enhancing safety for healthcare workers and improving patient outcomes.

At a crucial moment during the Covid-19 pandemic, timely support from Motilal Oswal Alternates helped Molbio scale, gain global recognition, and expand access nationwide, with growth reinvested into research and last-mile care. Beyond innovation and scale, however, Molbio's impact is best understood through individual lives – stories like Meera's, where timely diagnosis became the turning point between uncertainty and hope.

Meera's Health Win- Why Truenat Matters



At 23, four months after giving birth, I coughed up blood. It was the start of an eight-year nightmare. I was prescribed standard TB medication, but unbeknownst to my doctors, I was already drug-resistant.

For nearly a decade, I endured 25 toxic pills daily and relentless injections, costing lakhs of money. The physical toll was eclipsed only by the social one: profound isolation, domestic violence, and two suicide attempts. By the time advanced molecular testing was finally performed, the delay had cost me my right lung, which had collapsed irreversibly.

The tragedy is that my suffering was preventable. A single Truenat test on day one would have detected my resistance immediately, sparing my lung, my

health, and my right as a mother to be with my child. Precise treatment would have turned a decade of anguish into a journey of recovery.

Today, as leader of the TB Survivor Collective, I advocate in court to ensure no one else walks this path. Truenat technology is more than a diagnostic; it is a lifeline. I am deeply grateful that this technology now ensures early detection, saving lives and lungs before devastation takes hold.



Molbio is fortifying society through accessible diagnostics that harmonizes access and safety, perpetuating sustainable expansion and motivating innovators to foster profound societal change.

We proudly showcase Molbio's Vijayagatha- where diagnostics initiatives have redefined healthcare access for communities and stakeholders beyond India.

From Constraint to Cure: Building Diagnostics for India's Toughest Frontiers

Founded in 1990 by N. Sriram Natarajan, Tulip Diagnostics began in a 1,200-sq-ft Goa basement with ₹70,000 capital. While foreign tests overlooked rural India, Tulip engineered rugged, locally designed solutions. In 2011, Natarajan partnered with Dr. Chandrasekhar Nair of Bigtec Labs to work towards transforming global health, specifically targeting the systemic vulnerability of delayed diagnosis with innovative, accessible technology.



No one should suffer waiting for a diagnosis. Healthcare must reach the patient, not the other way around.



Sriram Natarajan
Co-Founder, Molbio Diagnostics

Built on 18 years of perseverance and deeply funded by the sale proceeds of Tulip Diagnostics, the venture reflects Mr. Natarajan's unwavering commitment to accessible healthcare. His and Dr. Nair's vision culminated in Truenat — Molbio's flagship innovation — now protected by patents across 100+ countries. The platform enables rapid and accurate diagnosis of a wide range of infectious and communicable diseases, such as tuberculosis, HIV, malaria, viral hepatitis, COVID-19, dengue, chikungunya, influenza (including H1N1), HPV high-risk (HPV HR), cholera, and leprosy, along with non-infectious markers such as HLA-B27, enabling evidence based treatment decisions.



When Truenat was invented, Cepheid's GeneXpert (owned by Danaher) had monopoly over near point of care testing. While accurate, GeneXpert was expensive, dependent on continuous power supply and needed air condition to run the systems, making it unreliable in most of India's health facilities. Truenat addressed these challenges with its robust battery-operated technology that can operate with minimal infrastructure.

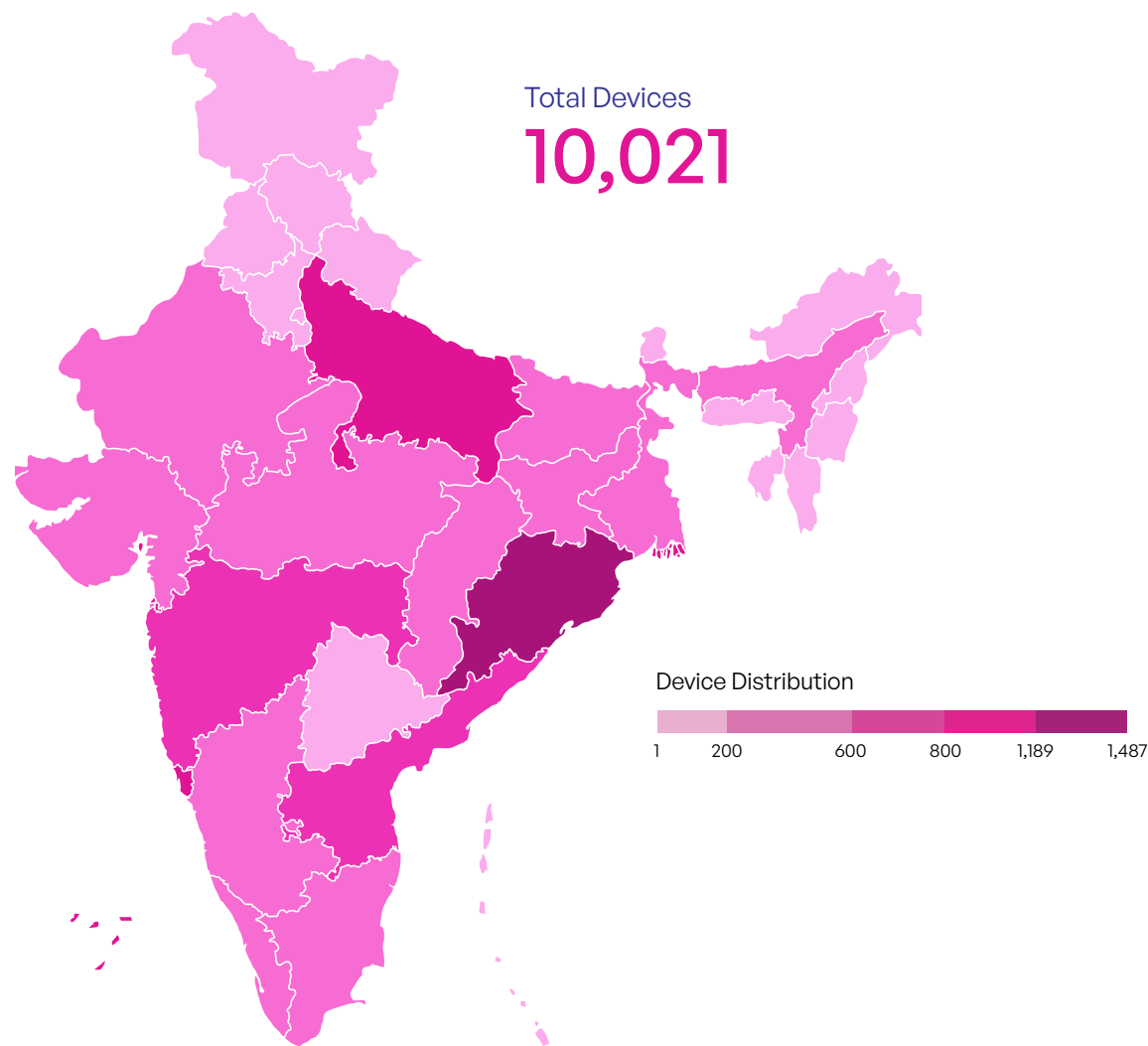
Before Truenat was scaled up nationally, India relied on over 2 crore smear microscopy tests each year to diagnose TB detection. It required technicians to manually handle infectious sputum carrying risk of infection back to their homes. Truenat has automated 1.8 crore tests already, doubled the detection rate, eliminated exposure, and protected families.

In 2020, as COVID-19 swept across India, Motilal Oswal Alternates' expedited the first tranche of investment (₹40 crore), ensuring Molbio's scale-up. Following WHO endorsement, Truenat became the world's only frontline molecular TB test. Powering India's COVID RT PCR testing capability with more than 40% labs being equipped with Truenat and revenue surged from ₹20 crore to ₹1,200 crore—every rupee earned, reinvested into life-saving R&D.

Beyond financial gains, the real return for Molbio is systemic – eliminating TB, preventing cervical cancer, curing Hepatitis-C, and strengthening HIV response. This is proof that principled strategy creates enduring, life-saving social value and positive impact.



India State-Wise Truenat® Device Installations





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Truenat's Health Revolution and Pandemic Response

The Motilal Oswal Alternates–Molbio partnership, forged during a critical patent renewal phase, transformed Molbio from a simple innovator into a robust med-tech institution. Motilal Oswal Alternates recognized that Molbio's decentralized diagnostics weren't just a distribution tactic, but a structural breakthrough for global healthcare systems.

Today, Molbio operates across rural, semi-urban and urban districts pan-India, embedded in national public-health programs. Additionally, the

company has expanded its global footprint to over 85 countries, thereby creating a worldwide impact. Decentralization has reduced dependence on fragile infrastructure such as logistics-heavy supply chains, uninterrupted power, and centralized labs, thereby improving continuity of care even in low-resource settings.

Motilal Oswal Alternates views this as health-system resilience at scale, where access, affordability, and reliability reinforce one another.



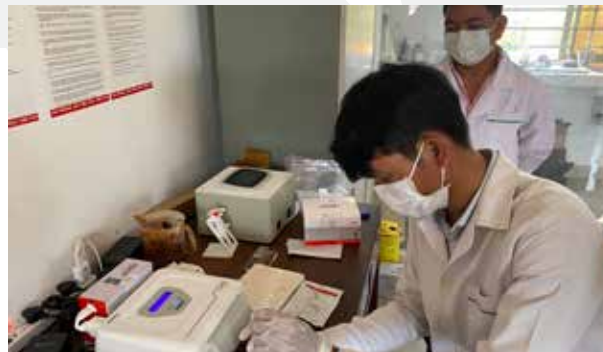


As Molbio scaled, Motilal Oswal Alternates emphasized that environmental stewardship must evolve from intent to practice.

Sustainability metrics have been formalized, monitored, and integrated into operational decision-making. Environmental data is tracked with consistency and auditability.

On the governance front, Motilal Oswal Alternates helped establish formal risk management with Board-level reviews, comprehensive governance policies, and zero material ESG violations. Data governance follows ISO 27001/27701 standards with

encryption and privacy-by-design architecture, resulting in 50M+ successful cumulative tests, 10,500+ deployed devices, and operations across 85+ countries. For Motilal Oswal Alternates, this proves that responsible scaling is an active discipline. Through governance reinforcement and deep B2B and B2G integration, Molbio has evolved into a platform with global relevance. Further, the company's product pipeline at different phases of R&D currently is gearing for material impact going forward.



Molbio's Vijayagatha reflects disciplined resilience where innovation is reinforced by institutional strength and responsibility, strengthening health systems in complex and resource-constrained environments.

This journey highlights how building enduring impact through steadfast commitment to access, safety and livelihoods, sustains well beyond moments of crisis.

ESG Metrics Snapshot

Access to Healthcare



50 Mn+
Diagnostic tests delivered
during the year

10,500+
Devices actively deployed across health
systems across 85+ countries

Community Development



Free diagnostics and screening programs
conducted across Meghalaya, Kochi, and Goa

Extended healthcare access beyond core commercial operations

Livelihood Generation



1,000+
Technicians indirectly
enabled through training
and deployment



Human Capital Development



757
Total employees

479
New hires since investment

33.3%
Women
representation in
Board

184
Women employees

Climate Action



6.5

Emission intensity
(tCO₂e/ ₹ Cr revenue)

39.8

Water intensity
(m³/ ₹ Cr revenue)

7.4

Energy intensity
(MWh / ₹ Cr revenue)

100%

Hazardous waste
disposed of through
authorized channels

449.4

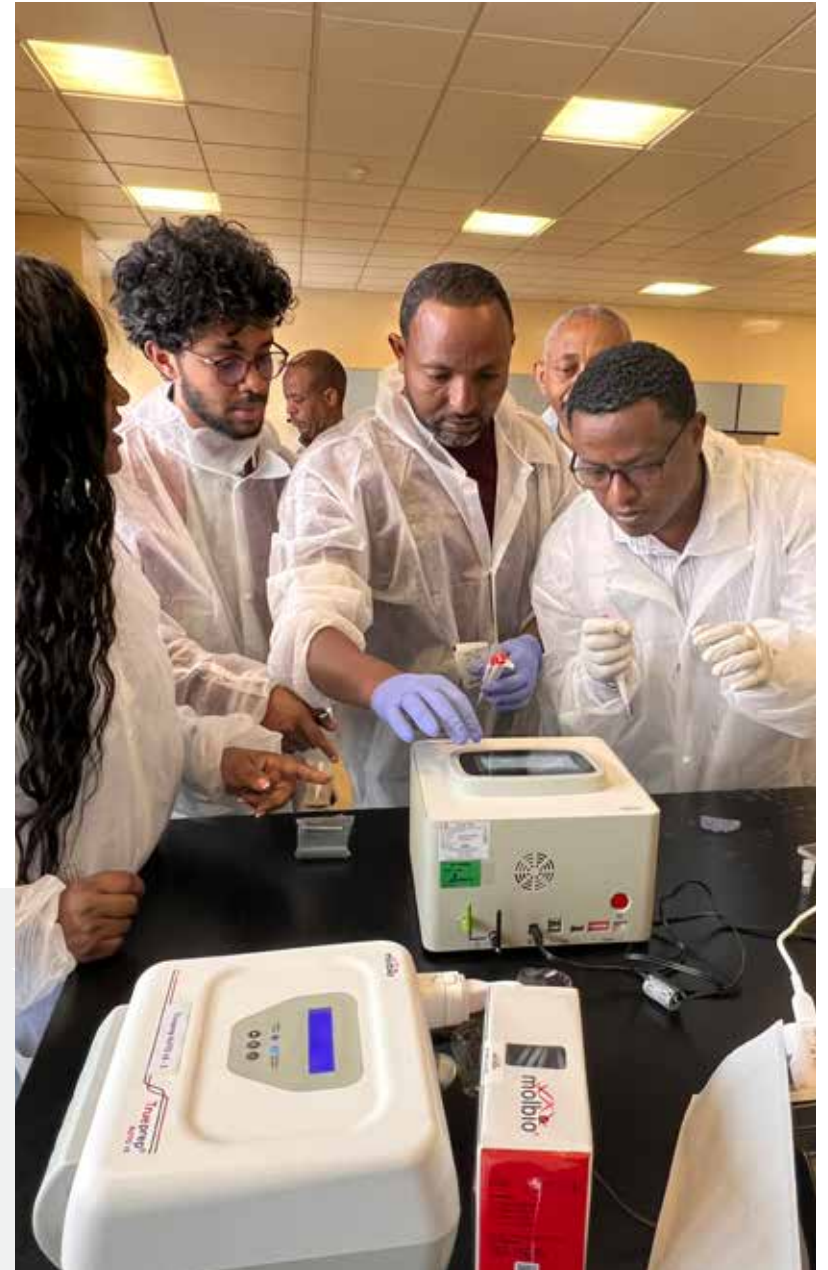
MWh renewable
energy sourced
from solar (~5%
of total electricity
consumption)

Workplace Health & Safety



0

Work-related injuries
reported across all sites





Engineering India's Future – Building a New Electronic Champion

A leading Indian company focused on integrated product design and ODM (Original Design Manufacturing) solution provider for wide range of electronics products which has an element of Voice, Video, Data and Network, VVDN Technologies works with global customers in various technology domains including 5G, datacenter, networking & wi-fi, vision, automotive, IoT, cloud & apps. VVDN believes in measuring institution building not only in facilities or output, but in the lives shaped through opportunity.

The organization's emphasis on inclusion, safety, skill development, and long-term careers has enabled thousands of women to step into formal manufacturing roles – often as first-generation professionals. This philosophy finds its clearest expression in the journeys of women who have grown alongside the organization, transforming ambition into agency, through sustained support and trust.



SDG
5.1

Eliminate discrimination against women and girls



SDG
8.5

Advance decent work, inclusive employment, and equal pay



SDG
8.8

Ensure safe, secure, and fair working conditions

Anjali's Story: Finding Right Place and Building the Future



Coming from a small village in Haryana, the idea of a career in high-tech manufacturing was always a distant dream, often reserved for men or those only from big cities. When I joined VVDN, I was stepping into formal employment for the very first time. I was uncertain and nervous but was quickly met with an environment designed to foster belief rather than doubt.

My journey began on the shop floor, where I learned complex processes hands-on. VVDN did not just provide a job; they created an ecosystem for success. By providing safe transport, secure accommodation, and supportive supervisors, they removed the structural barriers that often hold women back. This safety allowed



me to focus entirely on my training and performance.

My dedication was rewarded with trust. I transitioned from following instructions to leading teams, eventually overseeing critical projects for major global customers. Today, I stand as a leader for production teams filled with first-generation professionals who, like me, are building new lives.

I mentor them knowing that stable work has transformed not just my financial reality, but my family's entire future. At VVDN, I found more than a livelihood – I found my voice, my dignity, and a true sense of belonging.



From promoting women in leadership to ensuring zero workplace safety incidents, VVDN's commitment to talent is as strong as their technology.

This resilience fuels exponential growth and inspires pioneering solutions. We proudly highlight VVDN Technologies– an organization whose technological and social initiatives are reshaping industries and uplifting communities across the globe.

The Intersection of Design and Dignity- Bringing Global Ambition Home

Founded by Bhupender Saharan, Puneet Agarwal, Vivek Bansal, and Murali Jayaraman, VVDN Technologies was built on the conviction that India could evolve into a globally competitive hub for electronics design and manufacturing. Driven by engineering excellence and long-term values, the founders returned from overseas to establish an institution where capability and patience converge to create world-class technology.



As the company scaled, a strategic partnership with Motilal Oswal Alternates helped transition VVDN from a founder-led startup to a professionally governed institution, ensuring sustainable growth without losing its core principles. This partnership was grounded in shared values and a long-term outlook. The support has reinforced governance, professionalized operations, and prepared the Company for the next phase – transitioning from founder-driven scale to institution-led sustainability, all while remaining true to the founding principles.

Looking forward, VVDN is pursuing purposeful scale with an eye on an IPO. With a commitment to "solar saturation" and green certifications as well, VVDN is not just building hardware; it is building a legacy of empowerment and an enduring electronics champion for India.

VVDN integrates design and manufacturing through a pioneering women-centric strategy. By prioritizing women for shop-floor roles and providing safe transport and housing, VVDN has empowered thousands of women from rural areas to access formal employment opportunities. Achieving financial independence for these women proves that social conviction and operational productivity are deeply intertwined, setting a global benchmark for inclusive growth.

The company's resilience is rooted in its "People First" philosophy. Even during the disruptions of COVID-19, VVDN ensured safe continuity by providing essential housing and healthcare. This culture of care extends to the broader community through initiatives for the visually impaired and support for women entrepreneurs.





“
*True empowerment
begins with the
empowerment of
women.*”



Balakumar Chinnusamy
HR Head & Executive Director, VVDN Technologies.





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Empowering Women Leaders to Powering Manufacturing Excellence

VVDN transitioned from scale to systemic resilience, prioritizing energy efficiency, safety, and governance across high-complexity manufacturing to ensure long-term supply-chain integrity and disciplined global growth. Motilal Oswal Alternates' engagement with VVDN during this phase has centered on strengthening institutional ESG initiatives that support long-term manufacturing competitiveness rather than short-term compliance. VVDN's ESG approach reflects a clear understanding that sustainable



manufacturing is a prerequisite for global customer trust, operational continuity, and risk-adjusted growth.

VVDN is driving lower-carbon manufacturing through energy-efficient infrastructure and expanding on-grid solar power. Current capacity of 1 MW is scaling to 4 MW, reducing grid dependency and emissions. Water security is bolstered by rainwater harvesting and a dedicated lake for storing monsoon runoff. By limiting use to domestic and cooling purposes with zero process discharge, VVDN effectively mitigates water-stress risks while ensuring sustainable, resilient industrial growth.

The Company embeds green principles into construction using modular, reusable steel structures to minimize waste, along with authorized waste recycling. With 2,000+ trees planted, the company also focuses on enhancing ecological balance. These initiatives reduce environmental intensity as volumes scale, positioning VVDN for IGBC Gold certification with a strategic roadmap toward Platinum standards as facility capacity expands and ensure long-term workforce integration.



These controls embed accountability, preventing compliance lapses and ensuring supply-chain integrity as the company scales across geographies. From Motilal Oswal Alternates standpoint, VVDN's governance maturity supports capital efficiency, customer confidence, and long-term resilience.

Looking ahead, VVDN's ESG trajectory will increasingly focus on deepening systems rather than expanding scope, improving energy efficiency, increasing renewable penetration, strengthening water stewardship, and advancing workforce development as manufacturing volumes grow.

VVDN provides dedicated accommodations for women migrating from Tier II and III regions. Rigorous safety protocols, including structured inductions and oversight, have resulted in a zero-injury record. Trust is further bolstered by grievance redressal mechanisms and a supplier code of conduct, ensuring labor rights and safety standards extend throughout the value chain for resilient, ethical operations. VVDN's healthcare, education, and women's health initiatives strengthen social license and ensure long-term workforce integration.

VVDN's governance supports global complexity through periodic senior-level ESG reviews and strict ethical codes.



VVDN represents a benchmark manufacturing platform that translates scale into structured discipline, embeds inclusion into industrial growth, and aligns sustainability with global competitiveness.

The continued evolution of these systems positions VVDN to manage risk effectively while delivering long-term value across customers, employees, and the broader ecosystem.

ESG Metrics Snapshot

Human Capital Development



7,988
Total employees

6,137
New hires since investment

Women Empowerment

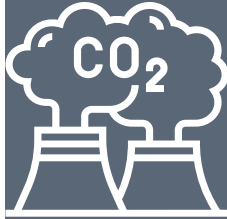


1,997
Women employees

50%
Women employees of shop floor workers

12%
Women in senior management

Climate Action



4.3
Emission intensity
(tCO₂e/ ₹ Cr revenue)

1,000 kWh
Solar capacity
installed

5.5
Energy intensity
(MWh / ₹ Cr revenue)

0.001
Waste intensity
(MT / ₹ Cr revenue)

1.7
Water intensity
(m³/ ₹ Cr revenue)

100%
Waste disposed of through
authorized recyclers

Workplace Health & Safety



Nil
Work-related injuries

Corporate Governance



**Supplier Code of Conduct
implemented across
operations**

Community Development



1,500+
Community beneficiaries reached





From Local Producer to National Brand— A Key to Enduring Community Impact

A simple man with lofty ideals, a visionary in the truest sense of the word, Sri N. Ranga Rao, founded N. Ranga Rao & Sons in 1948 with a clear vision: choose natural, high-quality ingredients – charcoal, coconut shell powder, and pure flower ingredients – even when everyone around was cutting corners with adulteration and price wars. Over the decades, Sri Ranga Rao's dream has been taken forward by successive generations and today Cycle Pure Agarbatti is a national leader in puja-needs also exporting its products to over 75 countries.

Despite the heights of success that the company went on to reach, the Ranga family remained grounded. They have stayed devoted to the wellbeing of those around them, always committed to doing the right thing. In 1988, the Ranga Rao Memorial School for the Differently Abled (RMSD) was established to educate and empower visually challenged girls through accessible, high-quality learning.



SDG
5.5

Ensure women's full participation and equal leadership opportunities at all decision-making levels,



SDG
8.5

Achieve full, productive employment and decent work for all, with equal pay for equal value



SDG
13.3

Build capacity and awareness for climate action and resilience

Among its many accomplished alumni are **Ms. Deepika TC.**, Team Captain of India's first blind women's national cricket team and officer at the Income Tax department, Mumbai, **Dr. Kavyasri S.**, Assistant Professor at Mysuru Maharani's College and **Mrs. Mani K.M.**, Senior Division Assistant at the Health department's Joint Director Office, Mysuru. Their success reflects how RMSD continues to nurture confidence, independence and opportunity — values that remain at the heart of NRRS' enduring legacy of inclusion and social responsibility.



Living Legacy: Anagha's Journey – A Graduate from RMSD



Born in Mysuru as an only child to a Desktop Publishing (DTP) operator father and homemaker mother, my journey began with a clear vision, despite my visual impairment. During the twelve transformative years at RMSD, teachers like Harish Sir bridged the gap between my world and the digital one, introducing me to computers and mobile phones. Beyond technology, I was gifted the tools of Reiki – learning daily gratitude, patience, and self-discipline.

The path wasn't seamless. Transitioning from the Kannada-medium RMSD to an English-medium, Pre University Course (PUC) was a grueling test of grit. However, that friction created the resilience required to earn a Master's Gold Medal from Maharani's Arts College and qualify for JRF-NET. Today, as I pursue my PhD in Kannada

literature, spirituality, and music, I realize that my disability didn't limit me; it gave me a unique lens through which I can mentor others and challenge societal stigmas.

Every achievement – the medals, the doctorate, my independence – is a tribute to an education that refused to see barriers and a support that stood strong.

I stand as proof that when you provide equal opportunities rather than just sympathy, differently-abled individuals don't just overcome – we lead and transform. The years I spent at RMSD shaped my resilience, nurturing in me the confidence and determination to pursue every dream with purpose.



NRRS is nurturing society through sustainable practices and strong governance that balances stakeholder value, and environmental care with profitability.

This approach sustains growth and inspires entrepreneurs to drive meaningful impact. We proudly highlight NRRS – whose sustainability initiatives have shaped communities and stakeholders.

A National Success Story: Hand-Rolled Legacy Meets Strategic Scale



NRRS started in Mysuru, eight decades ago as a small, agarbatti (incense sticks) unit. Building its "purity you trust" ethos from day one, NRRS transformed from a local producer into one of India's most beloved incense brands, introducing their iconic Cycle logo into homes across generations while preserving the craft of hand-rolled agarbattis.

Their early years weren't easy, navigating raw material shortages, skepticism about quality-led pricing, and the challenges of building a formal enterprise in a largely unorganized sector. By strengthening quality, crafting their own signature fragrances and formalizing manufacturing processes, they gradually built trust with consumers, partners, and communities.

In 2018, Motilal Oswal Alternates came on board at just the right moment in their journey. The investment infused more than capital – it brought the strategic muscle and confidence NRRS needed to strengthen their foundation,



scale operations, and pursue new growth opportunities. This partnership helped evolve the thought process to capture structured growth opportunities.

The Company transformation over the years has been significant. From a revenue of around ₹150 crore two decades back, they have scaled to around ₹1,300 crore in revenue now. This scale up has been achieved while embedding innovation, social impact, and sustainability into the core strategy – reflecting disciplined leadership can drive enduring value across economic cycles.

The journey from a modest Mysuru-based unit to a market leader is a testament to the fact that values, sustainability, and volumes can coexist. Their story remains a continuous cycle of faith – proving that when purity is the purpose, profit becomes the by-product.



*Since inception, our philosophy has been rooted in the belief that business success and social responsibility are intrinsically linked. Every decision we make – from product design to community programs – reflects our conviction that business does not merely generate **profit**; it simultaneously creates value for **people** and the **planet**.*



Arjun Ranga
Managing Director, NRRS





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Green Manufacturing and Women Empowerment: Driving Rural Prosperity

NRRS has transformed from a founder-led business into a structured, scalable organization with sustainability at its heart and strong governance its bedrock— creating livelihoods, strengthening supply chains, and building resilience. Family values guide the company's purpose while professional management drives growth and real impact.

The company keeps production local, which supports regional employment, enables closer



quality control, and reduces primary logistics-related emissions between sourcing and manufacturing. This approach stabilizes rural incomes and builds trust with customers.

In 2014, NRRS became a carbon-neutral manufacturer – a first in India's Incense Industry – using solar power, CNG and electric vehicles, and efficient operations. The company harvests rainwater that recharges 7.5 lakh liters of water every year. As a Plastic EPR certified brand owner, NRRS has been replacing virgin plastic with 30% recycled plastic, and has introduced FSC-certified board packaging in some of its premium offerings. Bamboo partnerships in Northeastern states support tribal incomes while securing raw materials and building climate resilience. Bamboo partnerships in Northeastern states support tribal incomes while securing raw materials and building climate resilience.

NRRS builds business resilience through its people. The workforce model ensures stability and career progression – offering clear pathways from frontline to leadership roles. Many employees have been part of the organization for over a decade, a reflection of trust and care that defines its culture. Beyond its direct workforce, NRRS supports thousands of rural women livelihoods across packaging, wick-rolling and raw material units— many of whom have worked with the company for years. These sustained relationships underscore the NRRS commitment to inclusive growth and long-term community empowerment.



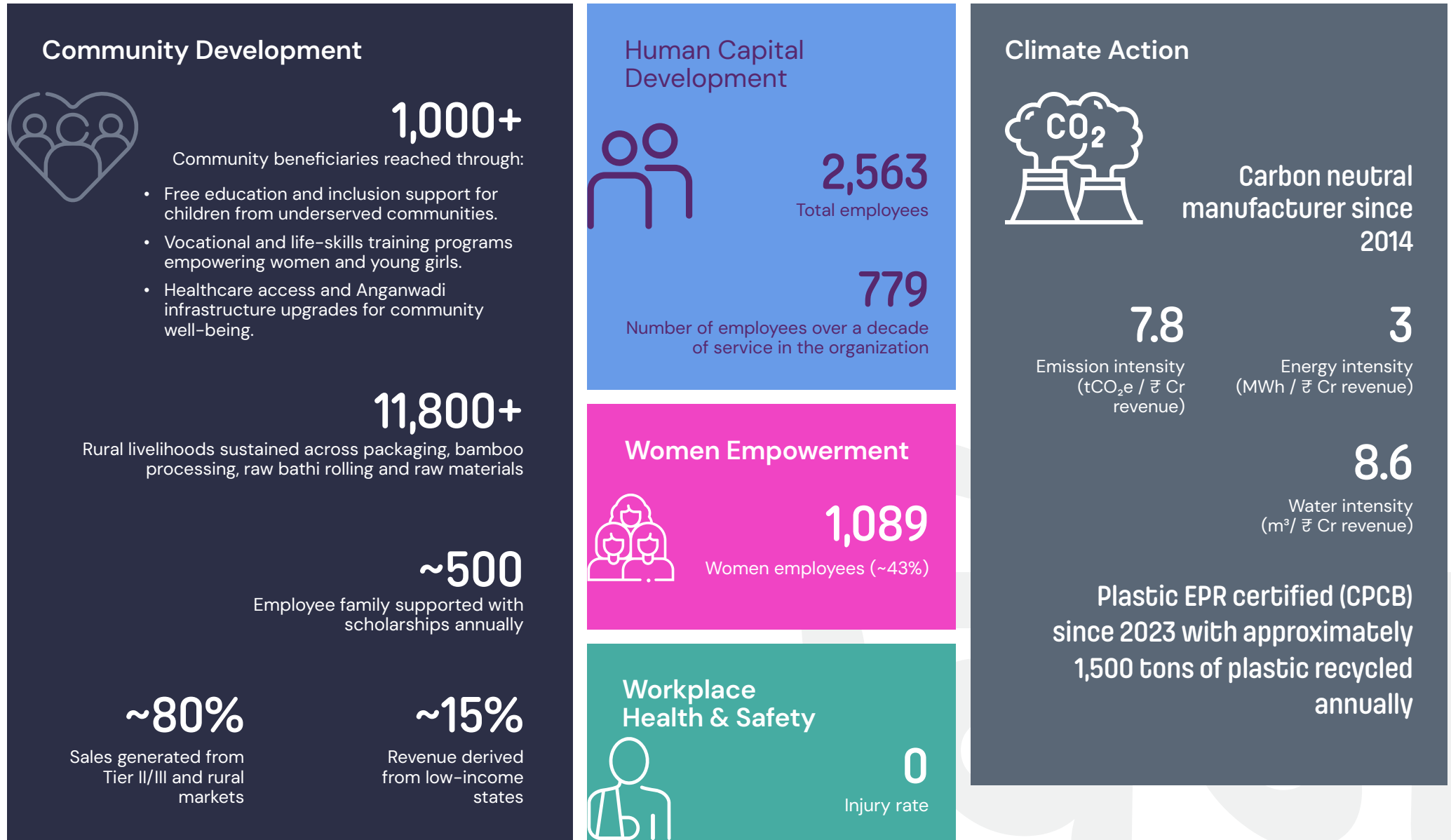
NRRS operates at an institutional scale while keeping its supply chain transparent and ethical. The company sources everything domestically, with regular social audits, and full traceability. It evolved from a family business into a professionally governed organization with clear policies on ethics, anti-corruption, whistleblowing, and diversity – all backed by regular sustainability reviews. The ESG governance approach mirrors Motilal Oswal Alternates' philosophy and strengthens investor confidence while staying true to the company's founding values and purpose-driven leadership.

NRRS proves that robust businesses are built on people and principles. By embedding sustainability into operations, governance into culture, and dignity into every role, the company creates lasting value – for communities, investors, and the planet – demonstrating that purpose and performance grow strongest together.

Motilal Oswal Alternates celebrates NRRS' Vijayagatha - from Mysuru's first incense stick unit to becoming carbon-neutral. Following IFC Performance Standards, NRRS drives resilient operations that harmonize community prosperity, environmental stewardship and business success.



ESG Metrics Snapshot





Turn the page to Samriddhi, to see how ESG has become our strategic value driver.





Samriddhi

Positioning ESG as a Strategic Value Driver

समृद्धि









Positioning ESG as a Strategic Value Driver

Samridhi articulates Motilal Oswal Alternates' forward-looking approach to embedding ESG and impact as core drivers of long-term value creation. Building on a strong foundation of disciplined investing and ESG integration, the framework evolves in response to emerging risks, opportunities, and stakeholder expectations, ensuring continued resilience, relevance and long-term performance.

Strategic Objectives:

-  **Refining the Investment Roadmap:** Deepening ESG integration, we align global frameworks with India's priorities, converting sustainability commitments into tangible financial and operational portfolio success.
-  **Advanced Impact Measurement:** Enhancing data quality, we link sustainability to business fundamentals, providing stakeholders with transparent, decision-useful insights and measurable ESG value creation.
-  **Data-Driven Oversight:** Leveraging analytics to sharpen risk identification, benchmarking, and proactive, data-driven portfolio engagement decisions.
-  **Capacity Building & Governance:** Partnering with leadership to institutionalize sustainability, strengthening governance for climate resilience and inclusive growth.

Priorities (Aligned with UN SDGs):

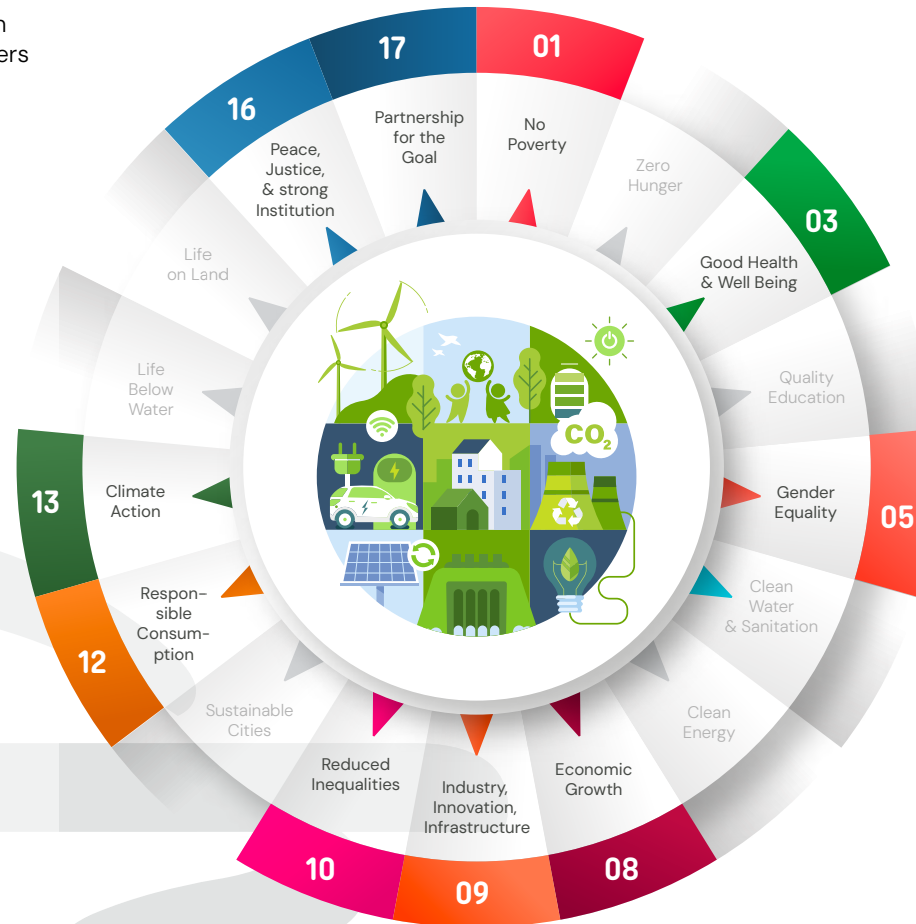
17 PARTNERSHIPS FOR THE GOALS
Strategic Partnerships
 Scaling impact through collaboration with investors and ecosystem partners

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Ethical Governance
 Strengthening governance, transparency, and ethical business conduct

13 CLIMATE ACTION
Climate Action
 Driving decarbonization, resource efficiency, and climate resilience

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Resource Stewardship
 Improving resource efficiency and reducing waste and pollution

10 REDUCED INEQUALITIES
Reduced Inequalities
 Expanding socio-economic access and reducing opportunity gaps



Economic Inclusion
 Advancing livelihood security through income stability and inclusive economic participation

Good Health
 Strengthening workforce well-being through safer workplaces and access to healthcare

Inclusive Leadership
 Advancing empowerment through increased female leadership and representation

Decent Work
 Promoting fair employment, safe working conditions, and workforce well-being

Sustainable Innovation
 Driving sustainable growth through innovation and resilient infrastructure

ESG Integration Approach:



(Establishing standards, filtering risk, and embedding ESG at entry)

- 1. ESG Governance & Policy Framework:** Motilal Oswal Alternates embeds ESG as a core discipline via its Social and Environmental Management System (SEMS), aligned with IFC Performance Standards and Indian regulations. Formally integrated into Fund II-V legal documents, ESG is treated as a principle-led investment belief rather than a compliance exercise.
- 2. ESG Integration in Investment Decision-making:** We integrate ESG via mandatory external assessments and risk evaluation. Identified gaps become binding Corrective Action Plans (CAPs) within legal documents, ensuring ESG remains central to Investment Committee decisions. We reject deals involving serious ESG violations, for instance material labor violations or environmental harm.

3. ESG Risk Management and Value Creation:

Motilal Oswal Alternates typically targets companies with low-to-moderate ESG risks. Remediable gaps trigger mandatory CAPs, while systemic risks ensure rejection. This strategy builds resilience, regulatory compliance, and reputation, securing institutional capital and mitigating downsides.



(Executing CAPs, strengthening operations, and protecting value)

- 4. Continuous ESG Monitoring & Oversight:** We have a dedicated ESG Lead to oversee ESG implementation, with continuous support from the Deal team. Portfolio companies ensure accountability by appointing senior ESG officers. Performance is tracked via mandatory Annual Monitoring Reports (AMRs) and verified through our continuous board-level engagement, ensuring all targets and Corrective Action Plans (CAPs) are systematically met.



- 5. Capacity Building & ESG Competence:** We build ESG expertise through mandatory firm-wide training by external agencies as well as internal knowledge sharing, ensuring continuous upskilling aligned with global best practices and evolving regulations.
- 6. ESG Incident Disclosure & Remediation:** Under SEMS, Motilal Oswal Alternates mandates prompt identification and remediation of material ESG incidents. All incidents are reported transparently to LPs and addressed via targeted remediation measures.



(Demonstrating credibility, maximizing exit value, and futureproofing)

8. ESG Reporting, LP Engagement & Transparency:

We conduct annual ESG reporting to investors, covering diligence and CAP progress. ESG disclosures and standardized ESG updates are periodically reported to LPs.

9. ESG in Exit Strategy: ESG maturity drives exit value by fostering sustainable growth and strong governance. These efforts enhance buyer confidence and ensure the portfolio is fully prepared for exit readiness.



Future-Facing ESG Commitment

Motilal Oswal Alternates is advancing its ESG commitment by embedding it deeper into organizational culture. Key goals include enhancing LP transparency, improving portfolio outcome measurements, and piloting SDG-aligned KPIs to benchmark all future funds against global frameworks.

We position ESG as a **risk filter, value accelerator, and long-term reputation builder**, integral to disciplined investing and sustainable outcomes.



In India's \$5T economy journey, private equity isn't chasing only returns – it's forging resilient anchors for global value chains. Motilal Oswal Alternates' disciplined capital crafts enduring institutions, blending growth, governance, and sustainability to deliver returns that outlast market cycles. ”

Vishal Tulsyan

Founder and Executive Chairman, Motilal Oswal Alternates

Looking Ahead with Conviction

As we conclude, I am proud to present our inaugural Impact and ESG Report 2025. The report reflects our conviction that patient capital – guided by our QGLP framework – can scale businesses while applying a rigorous lens: Right Business, Right People, Right Structure, Right Price, and Right Time. This disciplined approach allows us to build resilient enterprises that deliver both consistent financial returns and profound social value.

This report captures our journey within India's evolving economy – defined by resilient consumption, increasing formalization, and supportive policy. These tailwinds have enabled our portfolio companies across financial services, life sciences, niche manufacturing and consumer sectors to scale with purpose. By focusing on real-world outcomes, we highlight enduring progress across our core impact themes – Employment Generation, Women Empowerment, Financial Inclusion, Healthcare Access, Climate Action and Community Development.

The Panchasutra representation showcases how selecting the Right Business, partnering with the Right People, entering at the Right Price and exiting at the Right Time ensures these results are systematic, not serendipitous. Financial service institutions in our portfolio have expanded access to credit for underserved populations & MSMEs, unlocking entrepreneurship and asset creation in low-income and rural markets. Consumer platforms have penetrated tier II/III markets with affordable essentials, generating sustainable livelihoods. Life sciences firms, such as diagnostics innovators, have expanded access to quality healthcare

amid rising demand. Manufacturing portfolio companies have professionalized operations, formalizing employment while adopting green technologies to navigate global sustainability mandates.

Our inaugural report establishes a foundation for transparency and dialogue. We approach impact measurement with the same rigor as financial performance, establishing baselines, setting ambitious KPIs, and tracking progress against global benchmarks like IFC Performance Standards. Our efforts have been towards mobilizing capital and pioneering institutional governance in family-led businesses and delivering measurable outcomes in jobs, gender equity, livelihoods, financial access, health care and environmental stewardship. Looking ahead, we remain excited by sustainable urbanization, fintech inclusion, and green economy transitions – all strategically aligned with India's 2047 vision for impactful, long-term growth.

We extend our deepest gratitude to our partners, founders, and team for turning our investment philosophy into top-quartile performance. Together, we are doing more than growing companies; we are strengthening India's economic fabric for generations.



Glossary

Access to Finance	Enterprises whose impact value-proposition is focused on providing low-income and underserved customers with affordable financial services such as loans, savings, insurance or payments; reach is tracked through active customers, first-time borrowers and presence in semi-urban and rural locations.	Consumer Financial Protection	Measures adopted by Motilal Oswal Alternates portfolio companies to safeguard customers from mis selling, over indebtedness or unfair practices, monitored through grievance mechanisms, volume of complaints and average resolution time.
Access to Healthcare	Enterprises whose impact value proposition is focused on improving access to quality, affordable healthcare and diagnostics for underserved populations, measured by the number of patients served and diagnostic tests conducted.	Employment Generation	Job creation across Motilal Oswal Alternates' portfolio, tracked under Human Capital Development and Labor Management KPIs, including total employees and proportion of blue-collar workforce.
Assets Under Management (AUM)	The total quantum of capital and investments under management by Motilal Oswal Alternates across all its funds and portfolio companies at a given point in time.	Emission Intensity	Carbon dioxide equivalent (tCO ₂ e) emissions per unit of revenue (₹ Crore), measuring portfolio climate efficiency. Tonnes of CO ₂ equivalent (tCO ₂ e) – standard unit measuring total greenhouse gas emissions (CO ₂ , CH ₄ , N ₂ O, etc.) converted to CO ₂ 's global warming impact for consistent climate reporting.
Blue-Collar Workforce	Frontline, manual, or operations-focused employees in Motilal Oswal Alternates portfolio companies, representing large-scale employment opportunities.	Energy Intensity	Energy consumption (MWh) per unit of revenue (₹ Crore), tracking resource efficiency.
Climate Action	Initiatives undertaken by Motilal Oswal Alternates and its portfolio companies to reduce greenhouse gas emissions, enhance resource efficiency, and build resilience to climate risks, including adoption of clean technologies, energy efficiency measures, and other decarbonization efforts.	ESG Risks	Actual or potential environmental, social and governance related issues in Motilal Oswal Alternates' portfolio companies that may affect business performance, regulatory compliance or reputation over the short, medium or long term.
Carbon Emissions	The amount of carbon dioxide and other greenhouse gases released into the atmosphere as a result of Motilal Oswal Alternates portfolio companies' operations and activities, typically reported in metric tons of carbon dioxide equivalent.	ESG Adoption	Integration of Environmental, Social, and Governance practices into portfolio company operations and strategy.
Carbon Neutral	A state in which a company has achieved net zero carbon emissions by reducing its greenhouse gas footprint and balancing any remaining emissions through verified removal or offset projects.	Financial Inclusion	Enterprises whose impact value proposition is focused on expanding access to responsible financial services and capability building for underserved individuals and businesses, including financial literacy and entrepreneurship programmes in rural, semi urban and low income areas.
Climate Action Plan (CAP)	Motilal Oswal Alternates' portfolio companies' strategic framework for systematically measuring, reducing, and reporting emissions while embedding climate resilience into operations, aligned with IFC Performance Standards and national regulations (BRSR).	Gender Balance	Representation of women across Motilal Oswal Alternates' portfolio workforce, including overall employees, senior management, and board positions.
		Community development	Portfolio initiatives supporting local communities, tracked by number of programs, operations in Low-Income States (LIS), revenue linkage, and beneficiaries.

Low Income States (LIS)	States classified by the World Bank as Low-Income States in India, currently including Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Odisha, Jharkhand and Chhattisgarh
Microfinance	Enterprises or business lines focused on providing small ticket loans, savings, insurance and related financial services to low income households and micro entrepreneurs who typically lack access to formal finance.
MOIC (Multiple on Invested Capital)	A performance metric calculating the total value returned to investors relative to the original capital invested in an exit.
Mukha	In Indian terminology, <i>Mukha</i> means face or expression. For Motilal Oswal Alternates, it represents visible ESG leadership, presented through a portfolio-wide impact dashboard covering employment, gender balance, financial inclusion, healthcare access, climate performance, and community development.
Portfolio	The group of companies in which Motilal Oswal Alternates has made investments and provides strategic, governance and ESG support to drive sustainable growth and generate environmental, social and financial outcomes across sectors and regions.
Panchasutra	Motilal Oswal Alternates' five-pillar ESG framework (Mukha, Sankalpa, Vikaas, Vijayagatha, Samriddhi). In Sanskrit, it means "five threads," guiding impact through investments.
Samriddhi	In Indian terminology, <i>Samriddhi</i> means prosperity or abundance. For Motilal Oswal Alternates, it outlines the pathway to sustained value creation, linking 2025 impact outcomes with forward-looking ESG and impact commitments across future funds.
Sankalpa	In Indian terminology, <i>Sankalpa</i> means a solemn resolve. For Motilal Oswal Alternates, it reflects the firm-wide ESG commitment, articulated through an KPI-driven framework spanning inclusion & exclusions, Investment Committee oversight, and portfolio monitoring.
Underserved Communities	Segments of people or regions that have limited or no access to essential services, opportunities or resources—such as finance, healthcare, education or infrastructure—compared to the broader population.

Vikaas	In Indian terms, <i>Vikaas</i> means growth or development. For Motilal Oswal Alternates, it showcases ESG-enabled scaling through a hero portfolio company, highlighting job creation, rural and semi-urban expansion, and improved access to finance and healthcare.
Waste Intensity	Solid waste generated (metric tons, MT) per unit of revenue (₹ Crore), reflecting waste reduction efforts.
Water Intensity	Water usage (cubic meters, m ³) per unit of revenue (₹ Crore), indicating sustainable water management.
Vijayagatha	In Indian terminology, <i>Vijayagatha</i> signifies a victorious journey or epic of triumph. For Motilal Oswal Alternates, this section presents ESG impact stories from across the portfolio, illustrating how growth capital, governance interventions, and ESG initiatives translate into measurable outcomes across jobs, inclusion, women empowerment healthcare, climate action and community livelihoods.





Acknowledgment

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Our Portfolio Champions

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Motilal Oswal Alternates Extended Family

The Motilal Oswal Group for fostering an entrepreneurial culture that values both financial excellence and societal contribution.

This report is more than a document, a testament to what happens when entrepreneurial capital meets purposeful execution. Every job created, woman empowered, and community uplifted reflects the shared commitment of all contributors.

Dedicated to:

India's next generation of leaders—whom we are proud to help build.





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