



Date: 13th August, 2025

To,
The Manager
Listing Department
BSE Limited
PJ Towers, Dalal Street, Fort
Mumbai – 400 001

Dear Sir/Madam,

Sub: Notice convening the 15th Annual General Meeting (“AGM”) dated 20th August, 2025 and Annual Report 2024-25.

The 15th AGM of the Company will be held on Wednesday, 20th August, 2025 at 11.00 a.m. IST at the Registered office of the Company at T.C 14/2074 7, Muthoot Centre, Punnen Road, Trivandrum, Kerala – 695 039.

Pursuant to Regulation 53 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report 2024-25 containing the Notice convening the 15th AGM for the financial year 2024-25 which is being sent through electronic mode to the Members, who have registered their e-mail addresses with the Company/Depositories.

The Annual Report 2024-25 containing the Notice is also uploaded on the Company’s website www.muthoothousing.com

The outcome of the meeting will be communicated to the Stock Exchange(s) in accordance with the applicable regulatory requirements.

We request you to kindly take the documents on record and kindly treat this as compliance with the Listing Regulations.

Thanking you

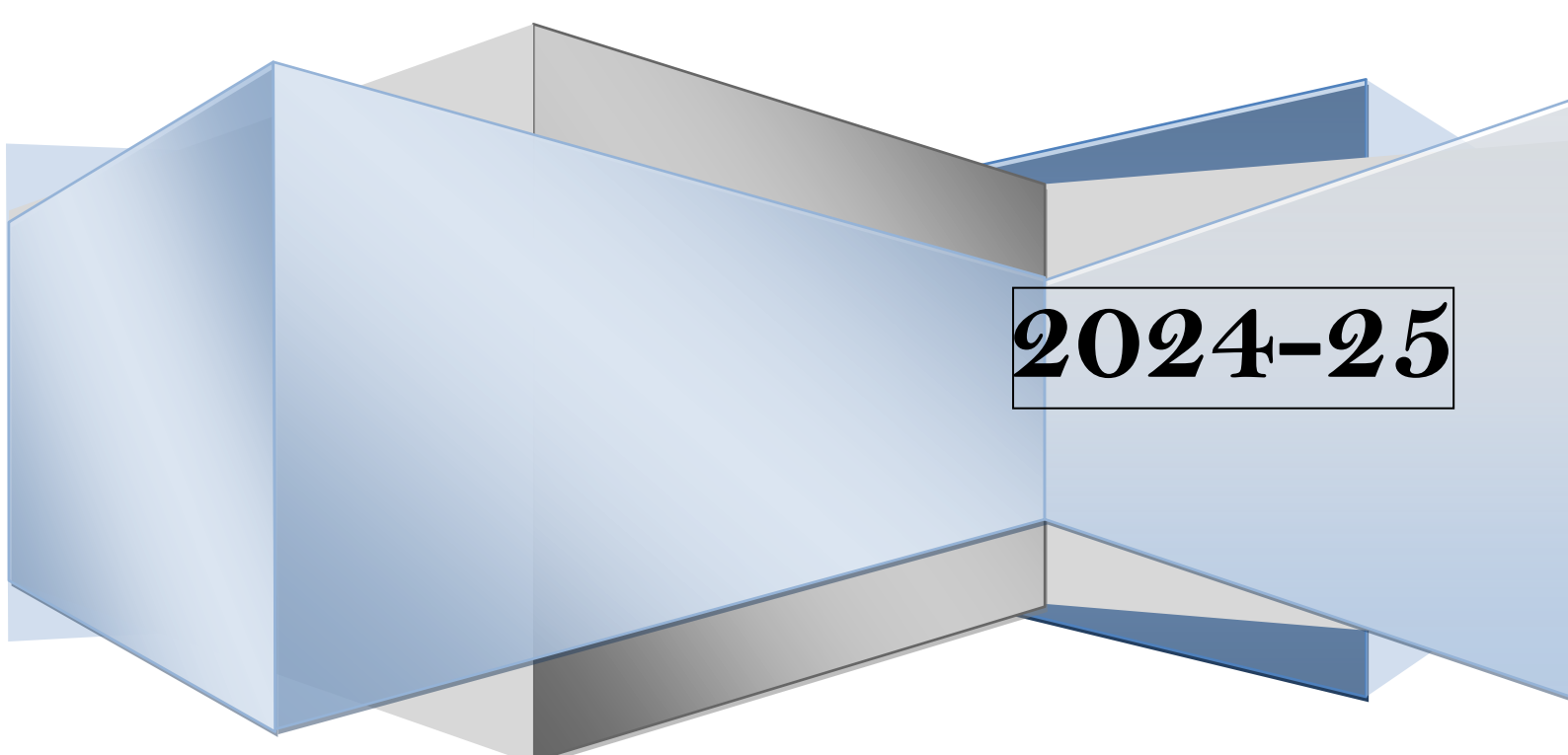
Yours faithfully
For MUTHOOT HOUSING FINANCE COMPANY LIMITED

Sumesh. S
Company Secretary and Compliance Officer



MUTHOOT HOUSING FINANCE COMPANY LIMITED

Annual Report

An abstract graphic composed of several overlapping, semi-transparent blue and grey rectangular blocks of various sizes, creating a 3D architectural effect. The blocks are arranged in a way that suggests depth and perspective, with some blocks appearing to be in front of others.

2024-25

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Corporate Information

Board of Directors

Mr.Thomas John Muthoot – Chairman and Director
Mr.Thomas Muthoot – Director*
Mrs Suzannah Muthoot-Whole Time Director wef 23.12.2024
Mr. Thomas George Muthoot – Director
Mr. Santanu Mukherjee-Independent Director
Mr Suresh Mahalingam-Independent Director

* Resigned from the post of Managing Director and continuing as a Non-Executive Director.

Key Managerial Personnel

Mr.Thomas Muthoot - Managing Director till 21.12.2024
Mrs Suzannah Muthoot-Whole Time Director wef 23.12.2024
Mr. Pavan K Gupta - Chief Executive Officer
Mr. Yogesh Ratnakar Udhoji- Chief Financial Officer
Mr.S.Sumesh - Company Secretary and Compliance Officer .

Senior Management

Mr Krishnan Srinivas -Head Business Development
Mr. Nishant Karkala-Head Credit.
Mrs Liza Mohanty-Head Operations.
Mrs. Deepa Srivastava – Head Internal Audit till 28.09.2024
Mr Samir Kerkar – Head Internal Audit – wef 17.03.2025
Mr.Ashok Gopalakrishnan – Head Collections till 31.01.25.
Mr Yuvaraj Selvaraj - Head - Collections wef 27.02.25
Mr. Pradeep Rajput – Chief Information Officer till 31.5.2024
Mr Atul Garg -Chief Information Officer wef 23.4.2024 till 24.01.25*
Mrs.Shruti Jha –Head - Human Capital Management & Development
Mr. Milind Koyande – Head - Risk Containment Unit
Mr Parshuram Udamale-National Technical Manager.
Mr Jailendra Rajendra Shukla - Chief Compliance Officer -wef 05.02.25

** The overlapping tenure from 23rd April 2024 to 31st May 2024 was planned to facilitate a smooth transition and effective handover of responsibilities.*

Statutory Auditors

M/s Chathurvedi & Co. LLP,
Chartered Accountants (FRN: 302137E/E300286),
81, Mittal Chambers,
228 Nariman Point,
Mumbai – 400021

Bankers/Financial Institutions

1. National Housing Bank
2. Yes Bank
3. IDBI Bank
4. Karur Vysya Bank
5. Karnataka Bank
6. DCB Bank
7. Bank of Maharashtra
8. Union Bank of India
9. Punjab National Bank
10. Bank of Baroda
11. State Bank of India
12. Canara Bank
13. Indian Bank
14. Bank of India
15. Federal Bank Ltd.
16. Axis Bank
17. LIC Housing Finance Ltd
18. Poonawalla Fincorp
19. Nabsamruddhi Finance Limited
20. Catholic Syrian Bank
21. SVC Co Operative Bank
22. UCO Bank
23. Bajaj Finance Limited

Debenture Trustees



Catalyst Trusteeship Limited

901, 9th floor, Tower B,

Peninsula Business Park Tower,

Senapati Bapat Marg,

Lower Parel, W, Mumbai, Maharashtra 400013

Tel: +91 (022) 4922 0555

Email: dt.mumbai@ctltrustee.com

Website: <https://catalysttrustee.com>



Vardhman Trusteeship Private Limited

Address: The Capital, A Wing,

412A, Bandra Kurla Complex,

Bandra (East)Mumbai 400 051
Tel: +91 022- 4264 8335
Email: compliance@vardhmantrustee.com
Website: www.vardhmantrustee.com

Registrars to the Issue



Link Intime India Private Limited

Link Intime India Pvt. Ltd
C 101, Embassy 247, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.
Tel: 1800 1020 878
Fax: 022 - 4918 6060
Email: mumbai@linkintime.co.in
Website: <https://linkintime.co.in/home.html>

Registrar and Transfer Agent



KFin Technologies Limited

The Centrum @ The Phoenix Market City
3rd Floor , LBS Marg,
Kurla - West , Mumbai - 400 070
Website :- <https://kfintech.com/>

Registered Office

TC No. 14/2074-7
Muthoot Centre, Punnen Road,
Thiruvananthapuram – 695 039
Kerala, India

Corporate Office

Muthoot Housing Finance Company Limited,
12A-01 13th Floor,
Parinee Crescenzo,
C 38-39, Block G,
Bandra Kurla Complex,
Bandra East, Mumbai 400051

CIN:U65922KL2010PLC025624

Ph: + 91 471 2331427 / 4911400
Fax: + 91 471 2331560
Email:sumesh.s@muthoot.com
Website: www.muthoothousing.com



Notice to Members

Notice is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on Wednesday, 20th August 2025 at 11.00 a.m. at the Registered office of the Company at T.C 14/2074 -7, Muthoot Centre, Punnen Road, Trivandrum, Kerala – 695 039 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2025 and the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Thomas Muthoot, Director (DIN: 00082099) retiring by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Preferential issue and Allotment of Equity Shares.

To consider and if thought fit, to pass, with or without modification, the following as a Special Resolution:

“RESOLVED THAT in terms of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 13 of The Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification thereto or re-enactment thereof for the time being in force), the guidelines and clarifications issued by any statutory/regulatory authorities and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions if any, and which may be agreed to by the Board of Directors of the Company (the “Board”) and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board to issue and allot 1,02,73,972 (One Crore Two Lakh Seventy Three Thousand Nine Hundred and Seventy Two) Equity Shares of Rs. 10 (Rupees Ten only) each with a premium of Rs.63 per share to the following on preferential basis (“Shares”):

Name	Address	No. of shares proposed
M/s.Muthoot Fincorp Limited	Muthoot Centre, TC No. 27/3022, Punnen Road, Trivandrum, Kerala – 695001	1,02,73,972

“RESOLVED FURTHER THAT the Shares to be issued and allotted shall rank pari-passu with the existing equity shares of the Company in all respects.

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforementioned resolution, the Board and/or such other person(s) duly authorised by the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient and desirable for such purpose, including without limitation, issuing clarifications to appropriate authorities on the issue and allotment of the Shares, resolving any difficulties, effecting any modification to the foregoing, preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals and co-ordinating with appropriate authorities to obtain the requisite approvals as may be required from time to time for the issuance of the Shares and to take all steps which are incidental and ancillary in this connection.

“RESOLVED FURTHER THAT Mr. Thomas John Muthoot, Director (DIN-00011618) be and is hereby authorized to file all necessary papers, forms, documents and do all such things deemed necessary to give effect to the above decisions”.

By Order of the Board of Directors

For Muthoot Housing Finance Company Limited

Place: Trivandrum

Date: 13.8.2025

Sd/-

S.Sumesh
Company Secretary

ACS: 29833

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies, in order to be valid, must be duly filled in, signed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting. A proxy form (Form MGT - 11) is annexed to this notice.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send the Company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts relating to the business under Item Number 3 to be transacted at the meeting, is annexed hereto and forms part of this Notice.
4. Members/Proxies are requested to bring the attendance slip (annexed to this notice) duly filled in for attending the meeting.
5. Members holding shares in dematerialized form are requested to write their client ID and DP ID Numbers in attendance slip and in all their correspondence with the Company. Those who hold shares in physical form are requested to write their folio number in the attendance slip.
6. Members are requested to intimate changes, if any, in the registered addresses to the Company in case of shares held in physical form and to their respective Depository Participant (DP) for the shares held in dematerialized form.
7. Members may kindly regularly update the changes in bank account with the following information in your DP account for the shares held in dematerialized form and with the Company in case of shares held in physical form:
 - Bank account number in full,
 - MICR Code,
 - IFS Code,
 - Full name of the Bank and address of the branch,
 - email address.

The correct and complete particulars will help us to serve you better by timely credit of your future dividends immediately on payment by means of electronic credit.

8. The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection by the members of the Company at the Registered office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting.
9. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
10. Members who would like to ask questions on Accounts are requested to send their questions to the Registered Office of the Company before the Annual General Meeting to enable the Company to prepare suitable replies to such questions.
11. Electronic copy of the Annual Report for the FY 2024-25 and Notice of the 15th AGM of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
12. Members may also note that the notice of the 15th AGM and the Annual Report for the FY 2024-25 will be available on the Company's website, www.muthoothousing.com. Members who require physical copy of the same, may write to us at sumesh.s@muthoot.com.
13. The route map and prominent landmark of the venue of the meeting is provided in this Notice.
14. The Annual General Meeting is called at a shorter notice, hence the consent form may be filled and returned for calling the Annual General Meeting at shorter notice under Section 101(1) of the Companies Act, 2013.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to ordinary and special businesses mentioned in the accompanying Notice:

Item No. 3 :- Preferential issue and Allotment of Equity Shares.

The Company is the Subsidiary of M/s Muthoot Fincorp Ltd (MFL) wherein MFL is holding 82.56% equity stake in the Company. The Company is engaged in providing housing finance to the lower- and middle-income segments of the society serving social objective of financial inclusion for the people in LMI segment. The Company has set up an excellent distribution network with 160 branches and has been operating in the Eleven states and One UT of India.

The current capital structure of the Company has three key stake holders viz MFL at 82.56% and Promoter directors and their relatives at 15.81%. The Company's current equity capital is Rs 81.60 Cr. The Company has been profitable since the inception of its business. The Company has earned a net profit of Rs. 42.41 Cr as at 31st March, 2025 as against Rs. 34.73 Cr as at 31st March, 2024 and it's net worth as at 31st March, 2025 stands at Rs. 390.16 Cr. and it's AUM as at 31st March, 2025 was Rs 2,557.22 Cr.

Affordable housing finance to LMI is a fast-growing segment in India. The Government is committed to provide housing to every Indian and there is huge thrust of government in affordable housing segment. The Company has targeted disbursements of 1,625 Cr in FY'26 achieving a growth of 81% and thereafter consistently achieving a disbursement growth at a CAGR of 68 % over next three years. In this Financial Year, the Company will be increasing its distribution network with exclusive focus on DSA business and MFL business, hence looking at the expansion plan of the Company and the robust demand for affordable housing segment in the states where Company operates, MHFCL expects to disburse Rs 1,625 + Crore in the current Financial Year and expects to achieve a loan book of Rs. 3,852 Crores by the end of March 2026 and Rs. 5,898 Crores by March 2027 and Rs. 9,136 Crore by March 2028.

While achieving this growth, on a conservative side the Company will be maintaining ~30/35% CAR and Debt/ Equity Ratio of around 5.5 times which is an Industry average, FY 2025-26 projected disbursement and AUM growth will be the initial building block for the future growth.

To meet the current year growth plans, the Company seeks infusion of fresh equity capital up to 75 Cr in the current Financial Year 2025-26 in different tranches based on the performance of the Company. The Company has done the valuation of MHFL equity shares by a registered valuer and as per the valuation report the price is finalised at Rs 73 per equity share for the proposed round of equity infusion.

It is proposed to issue 1,02,73,972 Equity Shares of the Company at Rs.10 each with a premium of Rs.63 per Share to M/s Muthoot Fincorp Limited (MFL). He further informed that for the issue of Equity Shares on Preferential Allotment basis, approval of Shareholders by way of special resolution under Section 62(1) (c) of the Companies Act, 2013 is required. Hence this resolution is proposed.

DISCLOSURE AS PART OF THE EXPLANATORY STATEMENT:**(A) OBJECTS OF THE ISSUE-**

To increase the capital base and improve the working funds for the enhanced operations to be carried on by the Company and /or to meet the ongoing financial requirements of the Company.

(B) THE TOTAL NUMBER OF SHARES OR OTHER SECURITIES TO BE ISSUED- 1,02,73,972(One Crore Two Lakh Seventy-Three Thousand Nine Hundred and Seventy Two).**(C) PRICE OF ISSUE-**

Price Rs. 73/- including premium of Rs.63 per Share.

(D) BASIS ON WHICH THE PRICE HAS BEEN ARRIVED AT ALONG WITH REPORT OF THE REGISTERED VALUER-

Discounted Cash Flow Method.

(E) THE RELEVANT DATE ON THE BASIS OF WHICH PRICE HAS BEEN ARRIVED AT-

28.07.2025

(F) CLASS OF PERSON(S) TO WHOM ALLOTMENT IS PROPOSED TO BE MADE:

Name and Class	Address	No. of Shares Proposed
M/s Muthoot Fincorp Limited (Company)	Muthoot Centre, TC No.27/3022, Punnen Road, Trivandrum, Kerala - 695001	1,02,73,972

(G) INTENTION OF PROMOTERS/DIRECTORS/KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:

The Promoters, key managerial personnel and Directors of the Company and their relatives do not intend to subscribe to the offer.

(H) PROPOSED TIME WITHIN WHICH ALLOTMENT SHALL BE COMPLETED:

The allotment shall be completed within a period of 60 days from the receipt of application money.

(I) THE NAME OF THE PROPOSED ALLOTTEE AND THE PERCENTAGE OF POST PREFERENTIAL OFFER CAPITAL THAT MAY BE HELD BY THEM-

M/s. Muthoot Fincorp Limited, Holding Company and Post preferential allotment holding will be 84.510% of the paid-up capital of the Company.

(J) WHETHER A CHANGE IN CONTROL IS INTENDED OR EXPECTED:

The Company is a Subsidiary of M/s Muthoot Fincorp Limited (MFL).

(K) THE JUSTIFICATION FOR THE ALLOTMENT PROPOSED TO BE MADE FOR CONSIDERATION OTHER THAN CASH TOGETHER WITH VALUATION REPORT OF THE REGISTERED VALUER-

Not Applicable

(L) THE PRE-ISSUE AND POST ISSUE SHAREHOLDING PATTERN OF THE COMPANY

SR. NO.	CATEGORY	PRE-ISSUE		POST ISSUE	
		No. of Shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding :				
1	Indian :				
	Individuals	1,29,03,460	15.81	1,29,03,460	14.04
	Bodies Corporate	6,73,74,005	82.56	7,76,47,977	84.51
	Sub Total	8,02,77,465	98.37	9,05,51,437	98.55
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	8,02,77,465	98.37	9,05,51,437	98.55
B	Non-Promoters' holding :				
1.	Institutional Investors	0	0	0	0
2.	Non-Institution :				
	Private Corporate Bodies	0	0	0	0
	Directors and Relatives	0	0	0	0
	Indian Public				
	Others(Including NRIs) Trust (MHFL Employee Welfare Trust)	13,28,766	1.63	13,28,766	1.45

	Sub Total(B)	13,28,766	1.63	13,28,766	1.45
	GRAND TOTAL	8,16,06,231	100.00	9,18,80,203	100.000

(M) STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013-

- (1) (a) All the Directors of the Company except Independent Directors are interested in the resolution to the extent of their investment in the paid-up share capital of the Company. None of the Key Managerial Personnel (KMP) except Mrs. Suzannah Muthoot, Whole Time Director, the relatives of KMP and the relatives of Directors of your Company is concerned or interested in the proposed resolution except as Shareholders of the Company.
- (b) Mr. Thomas John Muthoot, Mr.Thomas George Muthoot ,Mr.Thomas Muthoot and Mrs Preethi John Muthoot shareholders of the Company are also Directors and shareholders in M/s Muthoot Fincorp Limited, allottee.

In order to authorize the Board for taking further action, it is necessary to pass the said special resolution for preferential issue of Shares as set out in Item No.3 of the Notice.

By Order of the Board of Directors

For **Muthoot Housing Finance Company Limited**

Place: Trivandrum
Date: 13.8.2025

Sd/-

S.Sumesh
Company Secretary

ACS: 29833

MESSAGE FROM WHOLETIME DIRECTOR

Dear Shareholders,

It is a privilege to write to you for the first time as a member of the Board of Directors of Muthoot Housing Finance Company Limited (MHFCL). Stepping into this role during FY25, I have carried a deep awareness of the responsibility it entails, and the trust placed upon me. My focus in this first year has been to hold the line, protect what defines us, and quietly build the readiness required for the path ahead.

It is with a deep sense of responsibility that I write to you for the first time as a member of the Board of Directors of MHFCL.

Stepping into this role in FY25, I was deeply mindful of the trust that comes with it and I have approached the year with a commitment to hold the line, protect the values that define us, and help build the readiness required for our next phase of growth.

Rooted in Purpose, Driven by Responsibility

At MHFCL, our work is deeply intertwined with the aspirations of the Indian household. For many families, owning a home is not just a financial decision - it is a milestone of security, dignity, and belonging. We exist to enable that dream, and to do so with care, and responsibility.

While FY25 brought its share of challenges, it also reaffirmed this purpose. We stayed the course, prioritizing responsible lending and customer trust above all. With over 30,000 active customers served this year, we continued to enable families to move one step closer to a home they can call their own.

A Year of Quiet Progress

FY25 was not without its complexities. We began the year with ambition and energy, and while we did not achieve all that we set out to do, we made meaningful progress in several areas that matter deeply to the long-term health of the business.

We recorded our highest-ever disbursement in a single financial year, touching ₹900.21 Cr - a modest 3% growth, but achieved through stronger processes and greater control. We also expanded our physical presence with 42 new branches, deepening our reach across both urban and rural India. Our Assets Under Management (AUM) grew by 24% to ₹2,557 Cr, and revenue rose to ₹401 Cr. We closed the year with a Profit After Tax of ₹42.41 Cr.

At the same time, we took a hard look at ourselves; not to criticize, but to understand. There was deep introspection across teams on how we can improve productivity, execution and efficiency. We have emerged with a clearer understanding of what must change. This period has quietly strengthened the foundation for more disciplined progress in the years ahead.

Strengthening Our Core

Our emphasis this year was not only on growth but on strengthening our leadership team. We made key leadership hires including a new Head of Audit, Head of Collections, Chief Compliance Officer, and Chief Information Officer - reflecting our intent to strengthen institutional capability.

We also invested in our people. From a leadership development workshop at IIM Kozhikode to performance and people management training across levels, our goal was to equip managers with the tools they need to lead with confidence and clarity. Our total team strength grew to 1,960 employees, a 19% increase year-on-year.

Embedding Governance & Expanding Access

In February, we initiated our first monthly Governance and Compliance Review—a structured forum designed to ensure that we stay proactively compliant and transparent in our operations. This marked an important cultural shift—one that places not just results, but regulatory foresight and accountability at the core of how we operate.

We also began broadening our sourcing channels, integrating digital platforms like the Muthoot Fincorp ONE App and SpocTree to improve lead generation and bring convenience to our customers' fingertips. These efforts reflect our broader belief that access and simplicity should go hand-in-hand.

MHFCL remains steadfast in its commitment to the highest standards of corporate governance and regulatory compliance. Our governance framework, overseen by our Board of Directors, ensures transparency, accountability, and responsible decision-making across all levels. We continue to prioritize strong ethical practices in areas such as risk management, financial integrity, and stakeholder engagement. Our governance approach strikes a balance between entrepreneurial ambition and prudent risk-taking, ensuring maximum value for our stakeholders while maintaining strict adherence to compliance and regulatory frameworks. This commitment to governance and compliance has been instrumental in enabling us to achieve sustainable growth.

Holding Steady, With Values at the Centre

Throughout the year, we leaned on our core values - integrity, collaboration, and excellence to guide our decisions and actions. In branches, in credit committees, and across teams, I have seen these values in action—not through slogans, but through everyday choices that put long-term trust over short-term gain.

FY25 reminded us that growth alone does not define success. Holding steady, staying true to our mission, and being willing to course-correct when needed are equally critical markers of progress.

Affordable Housing Finance in India

The demand for affordable housing finance in India is more pressing than ever, particularly across Tier II and Tier III cities. With a population exceeding 1.4 billion, the country faces a substantial need for housing that is both accessible and economically viable. The rapid expansion of the low and middle-income segments supported by targeted government initiatives has further intensified the need for inclusive and sustainable housing finance solutions.

At MHFCL, we are committed to meeting this growing demand by providing customized financial products specifically designed to serve the unique needs of low- and middle-income families. Our approach focuses on enabling homeownership through responsible lending, simplified processes, and a deep understanding of the communities we serve.

In Closing

As I look back on my first year with MHFCL, I am filled with gratitude - for our Board's continued guidance, for the tireless efforts of our employees, and for the trust placed in us by thousands of customers.

We still have much to do. But I take confidence in the fact that we are moving forward with clarity, with humility, and with a deeper understanding of what it will take to build a truly high-performing, purpose-led institution.

Thank you for your continued trust and support as we advance on this journey, committed to thoughtful growth, institutional resilience, and meaningful impact in India's evolving housing finance landscape

Warm regards,

Suzannah Muthoot
Whole-Time Director
DIN: 09792874

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 15th Annual Report on the business and operations of the Company together with “Audited Financial Statements” for the financial year ended 31st March, 2025.

RESULT OF OPERATIONS/BUSINESS/FINANCIAL HIGHLIGHTS:

1. Turnover

(₹ in Lakhs)

Particulars	FY 2024-25	FY 2023-24	Increase/(Decrease)
Total Income	40,136.84	29,272.82	19.35%
Loan Portfolio (Ind AS net of ECL)	2,39,794.90	2,00,922.41	37.11%

2. Performance

(₹ in Lakhs)

Particulars	FY 2024-25
Total Income	40,136.84
Expenditure excluding depreciation and Preliminary expenses	33,771.06
Depreciation	698.76
Preliminary expenses	0
Net Profit before Adjustments	5,667.02
Less: Prior period expenses	0
Less : Provision for tax	1,426.10
Net profit for the period	4,240.92
Other Comprehensive Income	(34.09)
Total Comprehensive Income for the year	4,206.83
Proposed Dividend	0
Tax on dividend	0
Net profit Carried to Balance sheet	4,206.83

SHARE CAPITAL & NET WORTH

The authorized and paid-up share capital of the Company stood at Rs.10,000.00 Lakh and Rs. 8,160.62 Lakh respectively. The Shareholder fund/equity of the Company is Rs. 39,016.43 Lakh as against Rs 32,271.81 Lakh in the previous year on account of plough back of profits during the year and subscription of additional capital, registering an increase of 20.90 % over the year.

PERFORMANCE REVIEW FOR THE FINANCIAL YEAR 2024-25

For the Financial Year under review, your Company reported a growth in loans and total income. Company has 163 offices across India.

The Assets under Management of the Company grew to Rs. 2,55,721.81 Lakh (comprises of Housing Loan Rs. 1,71,782.86 Lakh and Non-Housing Loans Rs. 83,938.95 Lakh) from Rs. 2,07,038.87 Lakh (comprises of Housing Loan Rs. 1,47,054.22 Lakh and Non-Housing Loans Rs. 59,984.65 Lakh) in the previous year, registered a robust growth of 23.51%. The Owned loan outstanding was Rs. 2,44,107.39 Lakh (As per Ind AS net of ECL was Rs. 2,39,794.90 Lakh) as on 31st March 2025.

During the FY 2024-25 Company has made loan disbursement of Rs. 90,021.35 Lakh as against loan disbursement of Rs. 87,452.69 Lakh in previous year with growth of 2.94%. The Company reported total income of Rs. 40,136.84 Lakh during the year vs Rs. 29,272.82 Lakh in previous year, registering growth of 37.11%. The Company reported profit after tax of Rs. 4,240.92 Lakh against profit after tax of Rs. 3,472.61 Lakh in previous year. Total comprehensive income for the FY 2025 was Rs. 4,206.83 Lakh as against Rs. 3,450.72 Lakh in FY 2024.

Company had 33,407 customer's loan accounts as on 31st March 2025, as against 29,349 in the previous year. The Company is currently operational in 163 offices across 11 states and 1 Union territory. The Company has maintained its focus on the common people mainly belongs to economically weaker section (EWS) and lower income group (LIG) segment with an average loan size of Rs 8.21 Lacs as on 31st March, 2025.

The Company's Gross Non-Performing Assets (NPAs) / Stage III Assets stood at 1.29% and Net NPAs stood at 0.73% as on 31st March, 2025 as against Gross NPAs of 0.79% and Net NPAs stood at 0.32% as on 31st March, 2024. The Company has created provision for loan assets / impairment loss allowances in line with applicable Indian Accounting Standards (Ind AS), Master Direction – “Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021” as applicable.

Company is well capitalized with healthy capital adequacy ratio of 29.64% as against the minimum regulatory requirement of 15% as on 31st March 2025. The Company had borrowings of Rs. 2,26,418.07 Lakh as on 31st March 2025 from various Public and Private sector banks and other institutions including National Housing Bank. During the year, there was no NCDs unpaid after its due date or interest thereon, remaining unclaimed or un-paid after its due date. The Company is not required to maintain debenture redemption reserve on privately placed NCDs.

The Company is regular in paying all the statutory dues in relation to Provident Fund, Profession Tax, Tax Deducted at Source, Income Tax, Goods & Service Tax etc.

FRAUDS REPORTED TO THE AUDIT COMMITTEE

There was no reporting of frauds by Auditors under Sub Rule (3) of the Companies (Audit and Auditors) Rules 2014.

CREDIT RATING

Company is enjoying “CRISIL A+”/ Stable Outlook rating from CRISIL Ltd. for its long-term bank loan facilities to the tune of Rs. 2,500 Crores, for its Sub Debt facility to the tune of Rs. 100 Crores and for its Non-Convertible Debentures program to the tune of Rs. 100 Crores.

Additionally, the company is assigned a rating of “CRISIL A1+” for Commercial paper for Rs. 100 Crores.

The rating “CRISIL A+” indicates that the instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

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

No material changes or events have occurred since the date of the Balance Sheet that could have any effect on the financial position of the Company.

DIVIDEND

Your Directors are not recommending any dividend during the year under review.

THE AMOUNT IF ANY PROPOSED BY THE BOARD TO CARRY TO RESERVE

During the year the company has transferred Rs. 850 Lakh to Statutory reserve created in terms of Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

DEPOSITS

The company had not accepted any deposit within the meaning of Section 76 of the Companies Act, 2013 during the year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There was no loan given or guarantee given, or investment made, or security provided pursuant to Section 186 of the Companies Act, 2013 during the year under review.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has established an adequate internal control system designed to safeguard its assets, ensure operational efficiency, and facilitate accurate financial reporting. These controls are aligned with the Company’s business objectives and are commensurate with the nature and scale of its operations.

To ensure the robustness of its internal financial controls, the Company has constituted a dedicated Internal Audit Department. This department conducts periodic audits across various functions and business processes. The internal audit reports are critically reviewed by the management team, and appropriate measures are taken to address any identified gaps or areas for improvement.

In addition, the Audit Committee of the Board plays an active role in overseeing the internal control environment. It regularly reviews internal audit findings and monitors the implementation of audit recommendations. Where necessary, corrective actions are initiated, and systems are strengthened to enhance the overall control framework.

The internal control systems are subject to continuous review to ensure their effectiveness and relevance in a dynamic business environment. This proactive approach enables the Company to maintain a sound control culture and supports reliable financial reporting and compliance with applicable laws and regulations.

CHANGE IN NATURE OF BUSINESS

During the financial year under review, there has been no change in the nature of business of the Company.

SUBSIDIARIES / ASSOCIATE COMPANIES/ JOINT VENTURES:

The Company does not have any subsidiaries/ associate companies/ joint ventures, hence, was not required to include the particulars of subsidiary, in the Board's report, as required under The Statement containing the salient features of the financial statement of subsidiaries/ associate companies/ joint ventures, pursuant to Clause (q) of Sub-Section (3) of Section 134 of the Companies Act.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is in compliance with the applicable Secretarial Standard, SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

DISCLOSURE OF MAINTENANCE OF COST RECORDS

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

BOARD OF DIRECTORS / KEY MANAGERIAL PERSONNEL

Composition of the Board

Sl No	Name of the Director and DIN	Director Since	Capacity	No of Board Meetings held	No of Board Meetings attended	No of other director ships*	<u>Remuneration (Lakhs)</u> <i>Salary and other compensation/ sitting fees /Commission</i>	No of shares and convertible instruments held in the Company**	Nature of change (Resignation, Appointment)	Effective date of change (Resignation, Appointment)
1	Mr. Thomas John Muthoot (DIN:00011618)	05.03.2010	Chairman, Promoter and Non-Executive Director	9	8	As per form MBP-1 received from Director	Nil	4297885	Nil	Nil
2	Mr Thomas George Muthoot (DIN:00011552)	05.03.2010	Promoter and Non-Executive Director	9	9	As per form MBP-1 received from Director	Nil	4297890	Nil	Nil
3	Mr. Thomas Muthoot (DIN:00082099)	05.03.2010	Promoter and Non Executive Director	9	9	As per form MBP-1 received from Director	Nil	4297890	Designation changed from MD to NED	Nil
4	Ms Suzannah Muthoot (DIN: 09792874)	23.12.2024	Whole Time Director	9	2	As per form MBP-1 received from Director	24.18	Nil	Appointment as WTD	23.12.2024
5	Mr Santanu Mukherjee (DIN:07716452)	03.04.2019	Non-Executive and Independent Director	9	9	As per form MBP-1 received from Director	4.50	Nil	Re appointed as NED-Independent for a period of 3 yrs.	3.4.2024
6	Mr Suresh Mahalingam (DIN:01781730)	20.06.2023	Non-Executive and Independent Director	9	8	As per form MBP-1 received from Director	4.00	Nil	Nil	Nil

*Form MBP-1 is available for inspection of members at the registered office of the Company during business hours or members may email to sumesh.s@muthoot.com for the same.

**The Company has no convertible instruments during the year.

Details of any relationship amongst the directors inter-se

Mr. Thomas John Muthoot, Mr Thomas George Muthoot and Mr. Thomas Muthoot are Brothers and Mrs Suzannah Muthoot is the daughter of Mr. Thomas Muthoot.

BOARD MEETING

The Board of Directors met Nine times during this Financial Year

29 th April,2024
7 th May,2024
14 th June,2024
8 th August,2024
10 th October ,2024
7 th November,2024
21 st December,2024
5 th February,2025
18 th February,2025

Following persons are designated as Key Managerial Personnel (KMP)

1. Mrs. Suzannah Muthoot, Whole Time Director wef 23.12.2024,
2. Mr. Pavan K Gupta , Chief Executive Officer,
3. Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer.
4. Mr. Sumesh. S,Company Secretary and Compliance Officer

During the financial year under review, there was a change in the Key Managerial Personnel of the Company.

Mr. Thomas Muthoot (DIN: 00082099) resigned from his position as Managing Director of the Company with effect from December 21, 2024. Subsequently, Mr. Muthoot continues to serve on the Board as a Non-Executive Director.

In compliance with Paragraph 52A of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, dated February 17, 2021, which restricts a Key Managerial Personnel (except for directorships in subsidiaries) from holding any office or directorship in other NBFC-ML or NBFC-UL entities (including HFCs), Mr. Muthoot's continued role as Non-Executive Director is in conformity with the said regulatory provisions.

Further, Mrs. Suzannah Muthoot (DIN No. 09792874) has been appointed as a Whole Time Director, designated as Executive Director of the Company, for a term of five (5) years effective from December 23, 2024.

She is also designated as a Key Managerial Personnel (KMP) of the Company in accordance with the provisions of the Companies Act, 2013 and other applicable regulatory requirements.

INDEPENDENT DIRECTORS

Mr. Santanu Mukherjee and Mr. Suresh Mahalingam serve as Independent Directors on the Board of the Company. Both Directors have submitted declarations confirming their eligibility for appointment as Independent Directors in accordance with the provisions of the Companies Act, 2013.

In compliance with the Code for Independent Directors specified under Schedule IV of the Companies Act, 2013, the performance of Independent Directors is evaluated by the entire Board of Directors, excluding the Directors being evaluated. The Board is of the view that both Mr. Mukherjee and Mr. Mahalingam bring a wealth of experience and professional expertise to the Company. The Board has expressed its appreciation for their valuable contributions to the deliberations and decisions during Board meetings and to the overall governance of the Company.

Both Independent Directors have duly registered their names in the databank maintained by the Indian Institute of Corporate Affairs (IICA), as mandated under Section 150 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They have also complied with all relevant procedures as prescribed under the Act.

Their continued guidance and independent judgment have significantly contributed to upholding the integrity of the Board's functioning and decision-making process.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013, the Company has received the requisite declarations from all its Independent Directors. In these declarations, the Independent Directors have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

These declarations affirm the Independent Directors' continued adherence to the standards of integrity, expertise, and independence required for their role, thereby ensuring robust and unbiased oversight in the governance of the Company.

FORMAL ANNUAL EVALUATION

The company has placed a formal evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings.
- ii. Quality of contribution to Board deliberations, safeguarding the interest of the Company, independence of judgment, level of engagement and contribution.
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance.
- iv. Providing perspectives and feedback going beyond information provided by the management.
- v. Commitment to shareholder and other stakeholder interests.

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

RELATED PARTY TRANSACTIONS

The Company has a “Related Party Transaction Policy” which covers the transactions between the Company and its Related Parties and is annexed to this Report as **Annexure A**. The details of all material transactions with related parties are made in accordance with Ind AS 24 “Related Party Disclosures”.

Disclosure on Related Party Transactions as per the RBI notification no. RBI/2022-23/26DOR.ACC.REC. No.20/21.04.018/2022-23 on Disclosure requirements under Scale Based Regulation for NBFCs dated April 19, 2022.

(in lakhs)

Particulars	Holding Company		Fellow Subsidiary		Key Managerial Personnel (KMP)		Enterprises over which KMP are able to exercise or having significant influence		Relatives of KMP (with whom there were transactions during the year/previous year)		Total	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<u>Transactions during the year</u>												
Rent and amenities expenses	159.73	161.52	-	-	-	-	-	-	-	-	159.73	161.52
Business sourcing expenses paid	34.15	27.66	-	-	-	-	-	-	-	-	34.15	27.66
Software licence fees and server usage charges paid	-	-	33.99	29.69	-	-	-	-	-	-	33.99	29.69
Business sourcing income received	0.03	0.37	-	-	-	-	-	-	-	-	0.03	0.37
Travelling expenses incurred on our behalf	41.80	43.05	-	-	-	-	-	-	-	-	41.80	43.05
Refund of security deposits paid for rented premises	0.14	0.65	-	-	-	-	-	-	-	-	0.14	0.65
Rental Income	-	-	-	-	-	-	3.93	3.75	-	-	3.93	3.75

CSR Expenses	-	-	-	-	-	-	69.63	56.33	-	-	69.63	56.33
Personal guarantee extended on behalf of Muthoot Housing Finance Company Limited for borrowings	-	-	-	-	-	51,500.00	-	-	-	-	-	51,500.00
Sitting fees to directors	-	-	-	-	9.00	7.20	-	-	-	-	9.00	7.20
Counter Guarantee	-	50.00	-	-	-	-	-	-	-	-	-	50.00
Remuneration paid	-	-	-	-	500.58	381.20	-	-	-	-	500.58	381.20

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of Companies Act, 2013 in the prescribed form is annexed to this Report as **Annexure – B.**

REMUNERATION OF DIRECTORS

Please refer Note 46 of Related party transaction.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has delegated some of its powers to its Committees. These committees monitor matters that come under their mandate, in more detail. These committees are:

1. Audit committee

The Company has a duly constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013. The details of its terms of reference as approved by the Board of Directors of the Company are given below:

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditor's independence and performance, and effectiveness of Audit process.
- Examination of the final statement and the Auditors' Report thereon.
- Approval or any subsequent modification of transaction of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.

Composition of the Audit Committee

Sl No	Name of the Director and DIN	Member of the Committee Since	Capacity	No of Committee Meetings held	No of Committee Meetings attended	No. of shares held in the Company
1	Mr. Thomas John Muthoot (DIN:00011618)	17.09.2012	Promoter and Non-Executive Director	6	5	4297885
2	Mr.Santanu Mukherjee (DIN:07716452)	27.04.2019	Non-Executive and Independent Director	6	6	Nil
3	Mr.Suresh Mahalingam (DIN:01781730)	19.6.2023	Chairman, Non-Executive and Independent Director	6	5	Nil

AUDIT COMMITTEE MEETING

The Audit Committee met Six times during this Financial Year.

May 7,2024
June 14,2024
August 8,2024
November 7,2024
February 5,2025
February 18,2025

2. Nomination and Remuneration Committee

The Company has a duly constituted Nomination and Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013.

Composition of the Nomination and Remuneration Committee

Sl No	Name of the Director and DIN	Member of the Committee Since	Capacity (FY 24-25)	No of Committee Meetings held	No of Committee Meetings attended	No. of shares held in the Company
1	MrThomas George Muthoot (DIN:00011552)	31.03.2015	Chairman, Promoter and Non-Executive Director	5	5	4297890

2	Mr.Santanu Mukherjee (DIN:07716452)	27.04.2019	Non-Executive and Independent Director	5	5	Nil
3	Mr.Suresh Mahalingam (DIN:01781730)	19.6.2023	Non-Executive and Independent Director	5	4	Nil

NOMINATION AND REMUNERATION COMMITTEE MEETING

The Nomination and Remuneration Committee met Five times during this Financial Year.

7 th May,2024
8 th August,2024
21 st December,2024
5 th February 2025
18 th February,2025

In accordance with Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with rules issued there under, the Board of Directors formulated the Nomination and Remuneration Policy of your Company on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Policy is attached as **Annexure-C**. There was no change in the Nomination and Remuneration Policy of the Company during the FY 2024-25.

3. Corporate Social Responsibility Committee

The Company has a duly constituted Corporate Social Responsibility Committee as per the provisions of Section 135 of the Companies Act, 2013. The Company has a Board approved Corporate Social Responsibility Policy in place. The terms of reference of the CSR Committee are in accordance with Section 135 (3) of the Companies Act, 2013 and is as under:

- Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend to the Board the amount of expenditure to be incurred on the CSR activities referred to in (i) above; and
- Monitor the CSR policy of the Company from time to time.

Composition of the Corporate Social Responsibility Committee

Sl No	Name of the Director and DIN	Member of the Committee Since	Capacity	No of Committee Meetings held	No of Committee Meetings attended	No. of shares held in the Company
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1	Mr. Thomas Muthoot (DIN:00082099))	25.07.2017	Chairman, Promoter and Non-Executive Director	1	1	4297890
2	Mr. Thomas John Muthoot (DIN:00011618)	25.07.2017	Promoter and Non-Executive Director	1	1	4297885
3	Mr.Santanu Mukherjee (DIN:07716452)	19.06.2023	Non-Executive and Independent Director	1	1	Nil

The Corporate Social Responsibility Committee met once during this Financial Year. ie on 8th August ,2024.

4. IT Strategy Committee

The Company has constituted an IT Strategy Committee as per the Master Direction- Information Technology Framework for the NBFC Sector issued by Reserve Bank of India dated June 8,2017. The terms of reference are as below:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.

Composition of the IT Strategy Committee

Sl No	Name of the Director and /or Member	Member of the Committee Since	Capacity	No of Committee Meetings held	No of Committee Meetings attended	No. of shares held in the Company
1	MrThomas Muthoot (DIN:00082099)	29.10.2018	Promoter and Non-Executive Director	4	4	4297890
2	Mr.Suresh Mahalingam	19.6.2023	Chairman,	4	4	Nil

	(DIN:01781730)		Non-Executive and Independent Director			
3	MrThomas John Muthoot (DIN:00082099)	6.2.2024	Promoter and Non-Executive Director	4	4	4297885
4	MrPradeep Rajput	01.08.2022 till May ,2024	Chief Information Officer	4	1	Nil
5	Mr Atul Garg	7.5.2024 till 24.1.2025	Chief Information Officer	4	3	Nil
6	Mr Pavan K Gupta	6.2.2024	Chief Executive Officer	4	4	

IT STRATEGY COMMITTEE MEETING

The IT Strategy Committee met 4 times during this Financial Year.

29 th April,2024
8 th August ,2024
7 th November,2024
18 th January,2025

5. Borrowing Committee

The Company has a Borrowing Committee to exercise all powers to borrow moneys (otherwise than by issue of debentures) and taking necessary actions connected therewith. The terms of reference are as below:

- To borrow any amounts within the limit of Borrowing Powers of the Company.
- To assign/ sell the loan portfolio of the Company to any Banks/ Financial Institution etc.
- To open and operate Bank accounts in any manner and availing net banking facilities etc.
- To sub delegate its powers to the officers/ representatives of the Company.

Composition of the Borrowing Committee

Sl No	Name of the Director and DIN	Member of the Committee Since	Capacity (2023-24)	No of Committee Meetings held	No of Committee Meetings attended	No. of shares held in the Company
1	Mr. Thomas John Muthoot (DIN:00011618)	27.04.2019	Chairman Promoter and Non-Executive Director	10	10	4297885
2	Mr Thomas George Muthoot (DIN-00011552)	27.04.2019	Promoter and Non-Executive Director	10	10	4297890
3	Mr. Thomas Muthoot (DIN:00082099)	27.04.2019	Promoter and Executive Director	10	10	4297890

BORROWING COMMITTEE MEETINGS

The Borrowing Committee met Ten times during this Financial Year

12 th April,2024
12 th July,2024
5 th September,2024
15 th October,2024
23 rd November,2024
28 th November,2024
15th January,2025
3 rd March 2025
24 th March 2025
27 th March 2025

6. Risk Management Committee

The Company has a Risk Management Committee in place at executive level . The Risk Management Committee assists the Board in its oversight of various risks and review of compliance with risk policies, monitoring risk tolerance limits, reviewing and analysing risk exposures related to specific issues and provide oversight of risk across the organisation.

Summarised terms of reference of the Risk Management Committee:

1. Monitoring, evaluation, assessment, and mitigation of risks faced by the Company
2. Periodically review the risk profile of the Company namely Credit Risk, Liquidity Risk, Interest Rate Risk, and Operational Risk.
3. Evaluate the adherence to the Risk Management Systems and processes in place.
4. Maximization of Profits.

The Risk Management Committee of the Company comprises of

- CEO
- CFO
- Head - Credit
- Head - Operations
- Business Head and
- Head – Internal Audit

RISK MANAGEMENT COMMITTEE MEETINGS

The Risk Management Committee met Two times during this Financial Year

25 th July,2024
25 th March 2025

7. Asset Liability Management Committee (ALCO)

The Asset Liability Management Committee comprises of Mr. Thomas Muthoot, Managing Director till December 21, 2024, Mrs Suzannah Muthoot wef December 23, 2024, Mr. Pavan k Gupta, Chief Executive Officer and Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer. The role, terms of reference and power of the ALCO are in conformity with the requirements of the provisions of RBI Master Direction.

The ALCO met Four times during this Financial Year

24 th April,2024
24 th July 2024
24 th October,2024
24 th January,2025

8. Investment Committee

The Company has an investment committee comprises of Mr. Thomas Muthoot, Managing Director till December 21,2024, Mrs Suzannah Muthoot wef December 23, 2024, Mr. Pavan k Gupta, Chief Executive Officer, and Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer. The role, terms of reference and power of the Investment Committee are in line with the Investment Policy of the Company.

The Investment Committee met Four times during this Financial Year

24 th April,2024
24 th July 2024

24 th October,2024
24 th January,2025

9. Debenture Issue Committee

The Company has a Debenture Issue Committee comprises of Mr. Thomas John Muthoot, Director, Mr Thomas George Muthoot, Director and Mr Thomas Muthoot, Director.

The role of the Debenture Issue Committee is to determine the terms of issue including the class of investors to whom (NCDs)/Sub debt/any other instruments are to be issued, time, securities to be offered, the number of (NCDs)/Sub debt/any other instruments, tranches, issue price, tenor, interest rate, premium/discount, listing and to do all such acts and things and deal with all such matters in this regard.

The Debenture Issue Committee met Four times during this Financial Year

15 th January,2025
30 th January,2025
20 th February,2025
10 th March ,2025

10. Committee of Executives

The Company has a Committee of Executives (CoE) comprises of

1. Whole-time director or equivalent rank Official, shall be the Chairman
2. Head Credit
3. Head Operations and
4. Any other officers as may be prescribed by the CoE from time to time.

The CoE shall oversee the effectiveness of the fraud risk management at MHFCL and shall review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.

The Committee of Executives met 1 time during this Financial Year ie March 28,2025

11. General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings held during the Financial Year under review:

Sl No	Type of Meeting Date (Annual/ Extra-Ordinary)	Place	Special resolutions passed
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1	Annual General Meeting	Sep 4,2024	Trivandrum	a. Nil
2	Extra Ordinary General Meeting	June 3,2024	Trivandrum	1. Enhancement of Borrowing power from Rs.2,000 crores to 3,500 crores. 2. Creation of charge on the Assets of the Company. 3. Issue of Non-Convertible Debentures on Private Placement. 4. Preferential issue and Allotment of Equity Shares.
3	Extra Ordinary General Meeting	December 23, 2024	Trivandrum	1. Appointment of Mrs. Suzannah Muthoot as Whole Time Director designated as Executive Director and fixing the terms of Appointment.

DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013 DURING THE PERIOD UNDER REVIEW

There were no instances of non-compliance with the requirements of the Companies Act, 2013 during the period under review

CORPORATE GOVERNANCE

Your Company is deeply committed to upholding the principles of sound corporate governance as an integral part of its business philosophy. Corporate governance at your Company goes beyond regulatory compliance; it reflects a value-driven approach rooted in ethical business conduct, transparency, accountability, and a commitment to safeguarding the interests of all stakeholders, including shareholders, customers, employees, regulators, and the wider community.

REGULATORY COMPLIANCE

The Company fully complies with the Corporate Governance norms as prescribed by the National Housing Bank (NHB) and/or the Reserve Bank of India (RBI), in line with the applicable guidelines for Housing Finance Companies (HFCs). These regulatory frameworks serve as the foundation upon which the Company structures its governance practices.

GOVERNANCE FRAMEWORK

The Company has established a comprehensive governance framework that guides decision-making processes and ensures effective oversight. The framework is supported by the following pillars:

- **Board of Directors:** The Board is at the core of the governance structure and provides strategic guidance, oversees management, and ensures that the long-term interests of the Company and its stakeholders are protected.
- **Committees of the Board:** To facilitate focused oversight, the Board has constituted various committees such as the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Social Responsibility Committee, among others. These committees operate under clearly defined charters and report regularly to the Board.
- **Policies and Codes:** The Company has implemented a number of internal policies and codes to ensure responsible governance, including the Code of Conduct for Directors and Senior Management, Whistleblower Policy, and Risk Management Policy.

CORPORATE GOVERNANCE POLICY

The Corporate Governance Policy of the Company was adopted by the Board of Directors at its meeting held on April 19, 2017. This policy articulates the Company's governance objectives, guiding principles, and the roles and responsibilities of the Board and its Committees. The policy is subject to regular review and updation to remain aligned with regulatory expectations and evolving industry best practices.

BOARD COMPOSITION AND INDEPENDENCE

The Board of Directors comprises a balanced mix of executive, non-executive, and independent directors, ensuring a diversity of perspectives and independence in judgment. The selection of Directors is based on criteria such as integrity, experience, and professional background, in accordance with the Company's Nomination and Remuneration Policy.

TRANSPARENCY AND DISCLOSURE

Your Company believes in maintaining a high level of transparency in all its operations. Timely disclosures are made in compliance with applicable statutory and regulatory requirements, fostering trust and credibility among stakeholders. Financial and operational performance is reported regularly, along with updates on key risks and mitigation strategies.

ETHICS AND INTEGRITY

A strong culture of ethics and integrity is embedded across all levels of the organization. The Company encourages ethical behaviour and has established mechanisms for grievance redressal and whistleblower protection. All employees, officers, and directors are expected to act in accordance with the highest standards of professional conduct.

REVIEW AND CONTINUOUS IMPROVEMENT

Corporate governance is not a one-time exercise but a dynamic process. The Board and its Committees continuously monitor and assess the governance systems in place. Periodic reviews,

feedback mechanisms, and compliance audits help identify improvement areas, ensuring that the governance framework remains robust and responsive to emerging challenges.

RISK MANAGEMENT POLICY

The Company has implemented a comprehensive Risk Management Framework designed to identify, assess, and mitigate key risks associated with its operations. This framework primarily covers the management of Credit Risk, Market Risk, and Operational Risk. The Company follows a structured approach to risk assessment and minimization, ensuring that appropriate measures are in place to effectively manage and mitigate identified risks.

Liquidity Risk refers to the potential difficulty the Company may face in meeting its financial obligations as they become due, owing to a lack of available funds or the inability to access funds at an appropriate cost or tenure. The primary objective of the Company's liquidity risk management is to maintain sufficient liquidity at all times and ensure timely availability of funds to meet both expected and unexpected obligations.

The Company consistently generates adequate cash flows from its operating and financing activities to meet its liabilities as and when they fall due. A detailed maturity schedule of financial assets and liabilities is prepared, reviewed, and monitored on a regular basis to identify and address any potential mismatches.

To manage liquidity and interest rate risks effectively, the Company has in place a robust Asset Liability Management (ALM) Policy. The Asset Liability Management Committee (ALCO) is responsible for overseeing this function and ensuring ongoing compliance with applicable regulatory requirements. The ALCO regularly reviews the Company's liquidity position, interest rate exposure, and other market risks to ensure financial stability and regulatory alignment.

VIGIL MECHANISM/WHISTLE BLOWING POLICY

The Company is committed to maintaining the highest standards of openness, integrity, and accountability. In keeping with this commitment, we encourage employees, customers, and other stakeholders to raise serious concerns about any aspect of the Company's operations.

To facilitate this, the Company has established a formal Whistle Blower Policy / Vigil Mechanism. This mechanism allows directors, employees, and other stakeholders to report unethical behaviour, suspected or actual fraud, violations of the Company's Code of Conduct, or any activity detrimental to the organization's interests—without fear of victimization.

The mechanism ensures that whistle blowers are protected against any form of discrimination, harassment, victimization, or other unfair employment practices.

Furthermore, in all cases, directors and in appropriate or exceptional circumstances, employees shall have direct access to the Chairman of the Audit Committee.

REGULATORY DEVELOPMENTS AND COMPLIANCE WITH THE REGULATORY REQUIREMENTS

- (i) The Company is registered as a Non- Deposit Taking Housing Finance Company under Section 29A of the National Housing Bank Act, 1987.

(ii) Regulatory Directions Applicable to the Housing Finance Companies (“HFCs”)

In August 2019, the Government of India conferred the authority of regulation of HFCs to the Reserve Bank of India (“RBI”). However, the NHB continues to carry out supervision of HFCs.

In exercise of powers conferred under National Housing Bank Act, 1987, and Reserve Bank of India Act, 1934, the RBI, on February 17, 2021, issued revised regulatory framework and the Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 (“RBI HFC Directions”) for HFCs, repealing various instructions/ guidelines/ circulars issued by the NHB in the past.

Thereafter, the RBI vide notification dated October 22, 2021 released a ‘Scale Based Revised Regulatory Framework’ (“SBR framework”) for all NBFCs including HFCs. These guidelines shall be effective from October 1, 2022. The SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., the RBI decided to first issue an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure, set of fresh regulations being introduced and respective timelines. Under the SBR Framework, subsequently, various notifications on specific subjects/ aspects were issued by the RBI.

Regulatory structure for NBFCs comprises of four layers based on their size, activity, and perceived riskiness. Your Company being a Housing Finance Company falls under middle layer category.

During the year under review, the Company has diligently complied with the applicable regulatory requirements issued by the Reserve Bank of India (RBI), the National Housing Bank (NHB), and other relevant regulatory authorities. The Company closely monitored key regulatory developments, including updates to the Master Directions and guidelines applicable to Housing Finance Companies, and ensured timely implementation of all applicable changes. Compliance systems and internal controls were periodically reviewed and strengthened to align with evolving regulatory expectations, thereby reinforcing the Company's commitment to sound governance and risk management practices.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, a Statutory Inspection of the Company’s records and operations as of March 31, 2022, was conducted by the National Housing Bank (NHB) from June 21, 2023 to July 10, 2023.

Pursuant to the inspection, the NHB submitted its Inspection Report (IR), which, *inter alia*, observed a non-compliance with the provisions of Sections 45 and 46 of the *Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021*. The non-compliance pertained to the appointment of a Non-Executive Director without obtaining prior approval from the Reserve Bank of India (RBI).

Based on these observations, the Company received a Show Cause Notice (SCN) dated February 29, 2024, from the RBI. The Company duly submitted its responses and participated in a personal hearing conducted by the Adjudication Committee of Executive Directors of the RBI.

After considering the submissions, the RBI issued an order dated August 7, 2024, imposing a penalty of ₹5,00,000 on the Company. The Company complied with the directive and paid the penalty on August 20, 2024.

The Board would like to emphasize that the non-compliance was inadvertent and that the Company remains committed to full regulatory compliance and governance standards. Necessary steps have been taken to strengthen internal processes to ensure such lapses do not recur.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Companies act, 2013, the Annual Return in form MGT-7 for the Company will be hosted on the Company's website, i.e., <https://muthoothousing.com/regulatory-updates/> once it is uploaded with the Registrar of Companies (ROC).

INFORMATION ABOUT THE FINANCIAL PERFORMANCE OF THE SUBSIDIARIES / ASSOCIATES

The company has no subsidiaries or associates.

CORPORATE SOCIAL RESPONSIBILITY

The Company implements its CSR activities complying the CSR Rules. Muthoot Pappachan Foundation (MPF) is facilitating the planning and implementation of the CSR initiatives of the Company. The following key initiatives were undertaken during the FY 2024-25.

Smile Please

As part of the ongoing Smile Please initiative, the Vizag Smile Mission concluded successfully with 63 surgeries, exceeding the initial target of 50. This brought the total number of cleft surgeries conducted under the program to 3,009 across 15 states in India. The mission saw over 100 patient registrations, with more than 90 individuals medically screened, ensuring that each case was thoroughly evaluated for suitability. Additionally, 24 children were enrolled in the nutritional program, which provides essential dietary support to aid in their recovery and overall health.

The Bhubaneswar Smile Mission in Odisha was conducted at Hi-Tech Medical College & Hospital, where 64 successful surgeries were performed, once again surpassing the set target. With this, the national tally of surgeries under the Smile Please initiative rose to 3,115. Furthermore, 26 children from this mission were enrolled into the Nutrition Support Scheme, which ensures they receive nutritional supplements for one year through their nearest Muthoot

Fin Corp branches. This holistic approach not only addresses the surgical needs of the beneficiaries but also emphasizes sustained health and recovery through nutrition

Sports Training Support

During the Financial Year, Muthoot Football Academy (MFA) provided training and support to 45 residential and 60 non-residential young football players, fostering talent and promoting sporting excellence. In April, MFA athletes demonstrated outstanding performance by reaching the National Round, winning four matches and securing 3rd place overall after advancing to the semi-finals. A major highlight was MFA's participation in the prestigious Next Gen Cup hosted in the United Kingdom by the English Premier League, offering players valuable international exposure. Throughout the year, the team also took part in several competitive tournaments such as the Reliance Foundation Tournament, Malappuram Sub-District Tournament, U15 JSW Youth Cup, U17 DPDL Super Cup, Vedanta Cup, and the Ernakulam DFA U17 Youth Championship. These efforts culminated in the selection of many MFA players for National, State, and District teams and camps, reinforcing the Academy's impact on youth development through sports as part of the Company's CSR initiatives.

During the Financial Year 2021–22, the Company incurred an expenditure of ₹25,66,730 towards its Corporate Social Responsibility (CSR) activities for the ongoing project titled “The Blue Muthoot Sports Hub”, a CSR initiative implemented by Muthoot Pappachan Foundation (MPF) under the aegis of Muthoot Pappachan Centre of Excellence in Sports (MPCES), based in Palakkad, Kerala. The total allocated CSR amount for this initiative was ₹50,71,146.

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014, the balance unspent CSR amount of ₹25,04,416, pertaining to this ongoing project, was transferred to a separate Unspent CSR Account during the Financial Year 2021–22.

As mandated under the Act, the said unspent amount was required to be utilized within a period of three financial years, excluding the year of commencement of the project, i.e., on or before the end of Financial Year 2024–25.

We confirm that the Company has fully utilized the unspent amount of ₹25,04,416 during FY 2024–25, in alignment with the approved action plan and within the stipulated timeline, thereby complying with the regulatory requirements.

The Company has spent the entire amount for the below mentioned projects during the Financial Year 2024-25.

SI No	Name of the Project	Description	Amount (Rs)
1	SMILE PLEASE Vizag and Odisha Mission (Muthoot Pappachan Foundation in partnership with Mission Smile , a registered medical charitable trust	To provide approximately 100+ free surgeries and care for the kids afflicted with congenital lip and palate cleft disorders.	50,00,000

2.	has developed the programme called ” Smile Please”) SPORTS TRAINING SUPPORT A CSR Initiative of Muthoot Pappachan Foundation (MPF) under the auspices of Muthoot Pappachan Centre for Excellence in Sports (MPCES).	MPCES currently runs a fully functional residential Football Academy at Malappuram with 45 kids in the age group of 10 to 17 years.	19,63,000
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The Annual Report on CSR activities is attached vide **Annexure D**

STATUTORY AUDITORS

The Company at its Annual General Meeting held on September 4,2024 has appointed M/s Chathurvedi & Co. LLP, Chartered Accountants (FRN: 302137E/E300286), 81, Mittal Chambers, 228 Nariman Point, Mumbai – 400021, as Statutory Auditors of the Company for a period of three years, commencing from the conclusion of the Fourteenth Annual General Meeting till the conclusion of the Seventeenth Annual General Meeting on a remuneration to be fixed by the Board.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDITORS

As per the provisions of Section 204 of the Companies Act,2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, the Board of Directors of the Company had appointed M/s Sajee & Associates, Company Secretaries, Sreesankaram, TC83/211-2,Athamilane, Kaithamukku.PO,Thiruvananthapuram, Kerala-695024, as secretarial auditors for the Financial Year 2024-25.

The Secretarial Audit Report for the Financial Year ended March 31, 2025, is attached to this report as **Annexure E**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company;
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIT AND PROPER CRITERIA

All the Directors meet the fit and proper criteria stipulated under the ‘Non-Banking Financial Company (NBFC’s)-Housing Finance Company (Reserve Bank) Directions, 2021’.

MEANS OF COMMUNICATION

The ‘Announcements’ section on the Company’s website serves as a dedicated platform to provide investors with timely and relevant updates on material developments, including financial results and other statutory disclosures. This section is regularly updated to ensure transparency and accessibility of information. For any queries or grievances related to Non-Convertible Debentures (NCDs), Subordinated Debt (Sub debt), or other instruments, debenture holders are encouraged to write to the designated email address: sumesh.s@muthoot.com.

SEBI LODR- DISCLOSURES

The equity shares of the Company are not listed on any stock exchanges. Further, the Company is not classified as a ‘High Value Debt Listed Entity’ under the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations. Accordingly, several provisions and disclosure requirements stipulated under SEBI LODR are not applicable to the Company.

EMPLOYEES STOCK OPTION

In order to develop and implement a long-term incentive program to attract, motivate and retain the talent in a competitive environment, the Company has formulated and implemented MHFL Employee Stock Option Plan 2019 (‘ESOP 2019’) at its EGM held on 7th June 2019 which provides grant up to, 13,28,766 (Thirteen Lakh Twenty Eight Thousand Seven Hundred and Sixty Six) employee stock options to the eligible employees of the Company, determined in terms of ESOP 2019, from time to time, in one or more tranches. In accordance with the ESOP 2019, each option on exercise would be eligible for one Equity Share on payment of the exercise price.

As on 31.03.2025, against 13,28,766 Equity Shares, the Company has granted 11,54,380 options, out of which 2,42,000 options have been lapsed. Net of lapsed and surrendered options in Grant 1 was 9,12,380 options.

The Company has granted 3,70,000 options to 47 employees (Grant 2) on 1st September,2023 out of which 80,000 options have been lapsed (After 1st vesting) and granted 45,000 options to 2 employees on 6th February ,2024 (Grant 3) as per ESOP Plan 2019 and no options are lapsed (After 1st vesting).

The vesting period for the options granted under ESOP 2019 is for a period of four years as under:

Year	Options Granted	Year1	Year 2	Year3	Year4
ESOP 2019 Grant 1	11,54,380	20%	25%	30%	25%
ESOP 2019 Grant 2	3,70,000	20%	25%	30%	25%
ESOP 2019 Grant 3	45,000	20%	25%	30%	25%

As on March 31, 2025, out of the 13,27,380 options granted under **ESOP Scheme 2019**, no options have been exercised.

a. Disclosure under Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014 for the year ended March 31, 2025 – MHFLESOP PLAN 2019

Sl No	Particulars	GRANT 1 (19.11.2019)	GRANT 2 (01.09.2023)	GRANT 3 (06.02.2024)
1	Date of Shareholders' Approval	June 7, 2019	June 7,2019	June 7,2019
2	Total number of options approved under the plan.	13,28,766	13,28,766	13,28,766
3	Number of options outstanding at the beginning of the year.* *Total no of options granted less total no of options lapsed at the beginning of the year)	9,12,380	3,70,000	45,000
3a	Number of options granted during the year	Nil	Nil	Nil
4	Number of Options vested during the year	Entire vesting completed	60,400 (1 st Vesting)	9,000(1 st Vesting)

	Total Number of vested options as on 31.03.2025	9,12,380	60,400	9,000
5	Number of options exercised during the year	Nil	Nil	Nil
6	Exercise Price	Rs. 43	Rs. 59	Rs. 59
7	Maximum term of Options granted	4 years	4 years	4 years
8	Number of shares arising as a result of exercise of option.	Nil	Nil	Nil
9	Number of Options lapsed/surrendered during the year	Nil	80000	Nil
10	Variation of terms of options	None	None	None
11	Money realized by exercise of options	Nil	Nil	Nil
12	Total number of options in force at the end of the year. (Options Outstanding as on 31.03.2025)	9,12,380	2,90,000	45,000
13	Employee wise details of options granted			
	i Key Managerial Personnel	Three key managerial personnel were granted 6,74,380 options in total. Pavan Kumar Gupta- Chief Executive Officer :- 6,64,380 Options granted and vested Sumesh. S, Company Secretary :- 10,000 Options granted and vested. Vikas Kumar Srivastava - Chief Financial Officer (Resigned on 20th October 2022):-	Two key managerial personnel were granted 55,000 options in total. a. Sumesh. S, Company Secretary :- 5,000 Options granted b. Yogesh Ratnakar Udhoji, Chief Financial Officer - 50,000 Options granted.	None

		75,000 options granted. As on 31.03.2024, 33,750 vested 41,250 lapsed.		
	ii. Any employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	Pavan Kumar Gupta Chief Executive Officer :- 6,64,380 Options . Vikas Kumar Srivastava-Chief Financial Officer (Resigned on 20th October 2022) :- 75,000 options.As on 31.03.2025, 33,750 vested 41,250 lapsed.	a. Yogesh Ratnakar Udhoji, Chief Financial Officer :- 50,000 Options.	a. Krishnan Shrinivas :- 30,000 Options granted.
	iii. Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	None	None

STATEMENT CONTAINING PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The Company has listed only its non-convertible debt securities and not its equity shares. Accordingly, it does not fall within the definition of a “listed company” under the Companies Act, 2013. As a result, the disclosure requirements under Section 197(12) read with Rule 5(1)

of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

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

Considering its nature of activities, the following disclosures are made as per the provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 :

- a. The Company has no activities relating to Conservation of energy and technology absorption.
- b. The Company has no foreign exchange earnings. There was an outgo of foreign exchange of 3,024.16 lakhs.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

Nil

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF YOUR VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF.

Nil

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been duly constituted to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2024-25.

No. of complaints received: NIL

No. of complaints disposed off: NIL

No of cases pending for more than 90 days: NIL

STATEMENT BY THE COMPANY WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO MATERNITY BENEFIT ACT, 1961

The Company confirms that it has fully complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been provided with the benefits mandated under the Act, including paid maternity leave in accordance with statutory requirements.

INDUSTRIAL RELATIONS

The Board places on record its sincere appreciation for the continued support and cooperation extended by various authorities, regulators, customers, lenders, business partners, and all other stakeholders associated with the Company. The Company regards these relationships as vital partnerships in its journey of progress and has consistently endeavoured to share the benefits of its growth with them. Going forward, the Company remains committed to fostering strong and collaborative relationships with all stakeholders, built on the foundation of mutual benefit, respect, and cooperation, while remaining aligned with the best interests of consumers.

ACKNOWLEDGEMENT

The Board of Directors sincerely appreciates the commitment, dedication, and hard work displayed by the employees of the Company throughout the year. The Directors also extend their heartfelt thanks to the Banks, Government Authorities, and in particular, the officials of the National Housing Bank and the Reserve Bank of India, for their continued support, guidance, and cooperation. The Board further places on record its deep gratitude to the members for their trust, support, and confidence in the Company.

By order of the Board of Directors

**Trivandrum
5.8.25**

**Sd/-
Ms. Suzannah Muthoot
Whole Time Director
(DIN-09792874)**

**Sd/-
Thomas Muthoot
Director
(DIN-00082099)**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Indian Economy Overview

The Indian economy demonstrated remarkable resilience in FY 2024–25, staying on course despite global uncertainties and sector-specific challenges. With real GDP and real GVA both expanding by 6.3%, it is clear that domestic demand remains strong and that policy measures supporting recovery are effective. Inflation stayed well within bounds—CPI averaged 4.7% and WPI 2.3%—indicating price stability at both consumer and wholesale levels. The fiscal deficit was contained at 4.7% of GDP, reflecting sound fiscal management, while the current account deficit remained modest at 0.8% of GDP, buoyed by robust services exports and healthy remittance inflows. India continued to outpace its global peers, driven by sustained domestic consumption, ongoing reforms, and improving macroeconomic fundamentals. According to the IMF, India is poised to remain one of the fastest-growing major economies in the world over the coming years.

B. Indian Economy Outlook

India's economic landscape in FY 2024–25 demonstrated both resilience and nuance. After a blistering 9.2 % expansion in FY 2023–24, growth moderated to 6.2 % year-on-year in Q3, broadly in line with the IMF's full-year projection. This deceleration largely reflects high-base effects, election-related uncertainty and monsoon variability, rather than any structural slowdown. The Union Budget 2025's targeted personal income-tax reforms—full exemption up to INR 1.2 million and lowered slabs—are set to raise disposable incomes by roughly INR 630 billion annually, potentially contributing 0.6–0.7 percentage points to GDP growth in FY 2025–26. Despite rising global trade tensions and the prospect of U.S. MFN tariffs climbing to 28.2 %, which could trim 0.1–0.3 points from growth, India's high-frequency indicators remain strong: record GST collections, double-digit auto sales and FMCG demand led by rural markets. Deloitte forecasts 6.3–6.5 % GDP growth for FY 2024–25 and 6.5–6.7 % for FY 2025–26, contingent on stable inflation, moderate oil prices and resolution of trade frictions.

Against this backdrop, the Company enjoys a cautiously positive outlook. Rising disposable incomes and supportive fiscal measures are likely to drive demand for affordable and mid-income housing finance, particularly among first-time and self-employed borrowers. The shift to the new tax regime dovetails with Companies' focus on informal salaried and underserved segments. However, interest-rate volatility, potential credit-quality pressures amid a moderating property market, and external shocks from trade disputes or commodity swings remain key risks to monitor as we navigate FY 2026.

C. Industry Overview:

1. Indian Housing Sector Overview – FY2025

India's residential real estate market experienced solid growth in FY 2025, driven by strong end-user demand, supportive government initiatives, and a resilient economic environment. Housing completions and new project launches increased significantly as project execution improved and buyer confidence surged.

2. Government Support and Policy Framework

Key government schemes such as Pradhan Mantri Awas Yojana (PMAY 2.0) and Affordable Rental Housing Complex (ARHC) have established a strong foundation for inclusive housing development. These initiatives not only boost demand for affordable housing but also create a favorable environment for developers and financial institutions. Additionally, the Real Estate (Regulation and Development) Act (RERA) and the Special Window for Affordable and Mid-Income Housing (SWAMIH) Fund have streamlined project delivery by resolving bottlenecks in delayed projects, thereby enhancing sector efficiency.

3. Surge in Housing Deliveries

Housing deliveries jumped 33 % year-on-year in FY 2025 across India's top nine cities, rising from 306,600 units in FY 2024 to 406,889 units in FY 2025. This increase reflects the successful completion of projects delayed by the pandemic, especially those launched in 2018–2019. Kolkata saw the highest surge in deliveries at 88 %, followed by Hyderabad (61 %) and Chennai (49 %). The Western region—including Mumbai, Navi Mumbai, Thane, and Pune—contributed 55 % of national deliveries, while the Southern region (Bengaluru, Hyderabad, Chennai) accounted for 30 %. Delhi-NCR was the only major market to experience a decline, with deliveries falling 8 % year-on-year.

4. Indian Affordable Housing Finance Market Overview – FY2025

In FY 2025, India's affordable housing finance market grew strongly, with individual home loans rising by about 14 % to ₹34 trillion by September 2024. Housing finance companies held roughly one-fifth of this market, while banks made up the rest. Thanks to schemes like PMAY 2.0, affordable loans now account for around 40 % of all home financing, and the sector is expected to keep expanding at about 15–16 % annually, potentially reaching ₹77–81 trillion by 2030.

5. Improving Asset Quality

Between FY 2020 and FY 2022, Asset-Backed Housing Finance Companies experienced modest increases in early-stage delinquencies 0-day DPD rates ranged between 5 % and 10 % while serious defaults remained constrained by a robust collections framework. In FY 2025, enhanced collection efficiency combined with strategic write-offs reduced the Gross Non-Performing Asset ratio to 1.19 % as of March 31, 2025, notwithstanding the implementation of revised IRAC norms. This positive trajectory is expected to persist through FY 2026 and FY 2027, with the GNPA ratio projected to stabilize between 1.19 % and 1.10 %.

6. Borrower Evolution and Innovation in Lending

Lenders are responding to rising demand from first-time homebuyers, younger households, gig-economy participants, and informal-sector workers by developing innovative products such as step-up EMIs, interest-only repayment periods, and low-ticket loans paired with alternative income-verification models. At the same time, the sector is lev-

eraging technology to streamline processes: digital platforms now enable paperless onboarding, AI-driven credit scoring, and real-time loan-servicing dashboards, resulting in faster approvals and more efficient portfolio management.

7. Key Growth Drivers.

Several structural and policy-driven factors are fuelling the expansion of India's affordable housing finance market:

Government Support: Initiatives like PMAY – 2.0(Urban & Rural), along with tax benefits for first-time homebuyers, continue to provide significant subsidies, making housing more affordable for lower-income groups.

Urbanization and Infrastructure Development: Enhanced connectivity, better infrastructure, and job creation in Tier-II and Tier-III cities are driving demand for affordable housing in these regions.

Financial Inclusion: Digital platforms are improving access to formal credit, enabling individuals from underserved sectors to avail themselves of housing loans.

Investor Participation: The introduction of Residential Mortgage-Backed Securities (RMBS) is bringing in long-term capital, providing liquidity and driving further growth in the sector.

8. Key Challenges faced by the affordable housing sector.

Despite the positive growth, the affordable housing finance sector faces several challenges:

- **Supply-Side Constraints:** High land acquisition costs, low-profit margins, and long project timelines remain significant barriers, limiting developers' enthusiasm for affordable housing projects.
- **Regulatory Hurdles:** Inconsistent state-level housing policies, complex approval processes, and bureaucratic delays continue to slow down project execution and completion.
- **Credit Risk:** Lending to lower-income groups presents higher risks due to informal employment and lack of formal income documentation, making underwriting challenging and increasing default risks.
- **Infrastructure Deficits:** The lack of adequate public services and infrastructure in peri-urban and rural areas makes affordable housing projects less viable and attractive to developers.

D. Performance of the Company:

- 1) Assets under Management increased by 23.51% to Rs. 2,55,721.81 Lakh. Owned portfolio was Rs. 2,07,038.87 Lakh (Under Ind AS net of ECL Rs. 2,39,794.90 Lakh).
- 2) Company reported total revenue of Rs. 40,136.84 Lakh in FY 25 registering a growth of 37.11% against total revenue of Rs. 29,272.82 Lakh.
- 3) Company has made a net profit of Rs. 4,240.92 Lakh in FY 25 against the net profit of Rs. 3,472.61 Lakh in FY 24.
- 4) Capital Adequacy Ratio (CAR) as on March 31, 2025 was at 29.64%.
- 5) Share Holder Fund of the company stood at Rs. 39,016.43 Lakh.

E. RBI/NHB Guidelines and Prudential Norms :

MHFCL has complied with the applicable guidelines issued by the Reserve Bank of India (RBI) and the National Housing Bank (NHB), including those relating to accounting standards, prudential norms on asset classification, income recognition, provisioning, capital adequacy, credit concentration, credit rating, Know Your Customer (KYC) guidelines, Anti-Money Laundering (AML) standards, Fair Practices Code (FPC), grievance redressal mechanisms, and recovery practices.

In line with the RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, MHFCL has ensured compliance with the following key regulatory requirements:

- Maintenance of minimum Net Owned Funds (NOF);
- Adherence to Loan-to-Value (LTV) ratio limits for different categories of housing and non-housing loans;
- Implementation of a Board-approved Fair Practices Code and Credit Policy;
- Maintenance of liquidity buffers in accordance with Liquidity Risk Management framework;
- Registration of loans with Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI);

Pursuant to the RBI Circular dated November 12, 2021, titled “*Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarification*”, MHFCL has taken all necessary steps to ensure full compliance with the provisions of the said circular. Additionally, the RBI, through its circular dated February 15, 2022, allowed deferment of paragraph 10 (relating to the upgrade of non-performing accounts) till September 30, 2022. MHFCL did not avail of this deferment and has continued to report non-performing assets (NPAs) in accordance with the original requirements of the circular.

MHFCL's Capital Adequacy Ratio as at March 31, 2025 was 29.64% as against RBI/NHB's prescribed limit of 15%. The Capital Adequacy on account of Tier I Capital was 23.24% while the Capital Adequacy on account of the Tier II Capital was 6.39%

F. Disbursements & Loan Book:

MHFCL during the FY 2024-25 Company has made loan disbursement of Rs. 90,021.35 Lakh as against loan disbursement of Rs. 87,452.69 Crores in previous year with growth of 2.94%.

The Assets under Management of the Company increased by grew to Rs. 2,55,721.81 Lakh (comprises of Housing Loan Rs. 1,71,782.86 Lakh and Non-Housing Loans Rs. 83,938.95 Lakh) from Rs. 2,07,038.87 Lakh (comprises of Housing Loan Rs. 1,47,054.22 Lakh and Non-Housing Loans Rs. 59,984.65 Lakh) in the previous year, registered a robust growth of 23.51%. The Owned loan outstanding was Rs. 2,44,107.39 Crores (As per Ind AS net of ECL was Rs. 2,39,794.90 Lakh) as on 31st March 2025.

G. Provisions / Impairment Allowances:

During the year, the Company did not make any provisions towards Impairment on financial instruments through a charge to the statement of profit and loss.

Total provision required to be created as per Expected Credit Loss method, as specified in Ind AS, was Rs. 1,063.49 Lakh. Also, the Company is maintaining an additional provision of Rs. 727.81 Lakh under management overlay. Total ECL provision stood against Loan assets at amortized cost was at Rs. 1,791.30 Lakh as on 31-03-2025.

The above provision sufficed for the provisions required under the NHB/RBI norms.

H. Asset Liability Management:

The Company adheres to the RBI/NHB "Asset Liability Management System for Housing Finance Companies – Guidelines" and maintains a board-approved ALM policy. This policy defines prudential gap and tolerance limits, as well as the reporting framework.

A detailed maturity schedule for all financial assets and liabilities is reviewed and monitored on a regular basis. An ALM Committee oversees liquidity and interest-rate risks, ensuring compliance with regulatory requirements.

ALM reports are presented periodically to the ALM Committee for review and action

I. Risk Management:

The Company has constituted a Risk Management Committee (RMC) to establish a robust risk management framework, policy, and strategy in accordance with NHB/RBI directives. As a lending institution, MHFCL faces various risks and has therefore adopted a Board-approved Risk Management Policy that outlines procedures for risk identification, assessment, and mitigation. The Policy aims to minimize potential losses by identifying

sources of credit, operational, market, and residual risks inherent in its products and processes and by implementing appropriate control measures.

The RMC chaired by the CEO and comprising senior management regularly reviews key risk exposures and mitigation strategies and reports its findings to the Audit Committee.

J. Internal control systems and their adequacy:

The Company's internal financial control over financial reporting is designed to provide reasonable assurance as to the reliability of financial statements and their preparation in accordance with generally accepted accounting principles. These controls encompass policies and procedures that:

- a. Maintain records that accurately and fairly reflect, in reasonable detail, the transactions and disposition of the Company's assets.
- b. Ensure that transactions are recorded to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are authorized by management and the Board of Directors.
- c. Provide reasonable assurance for the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could materially affect the financial statements.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of these internal controls and proposes enhancements to adapt to evolving business needs.

K. Discussion on financial performance with respect to operational performance:

Financial and operational performance has been discussed in Directors' Report.

L. Human Resource:

MHFCL's competitive advantage is rooted in its talented workforce, which brings diverse multi-sectoral experience, technological proficiency, and deep domain expertise. The Company's human resource philosophy is built on challenging conventional norms to drive continuous improvement and strengthen organizational competitiveness. By aligning business objectives with employees' professional aspirations and personal well-being, MHFCL promotes a healthy work-life balance and fosters a strong sense of belonging and pride among its people.

As of March 31, 2025, the Company employed a total of 1,857 staff members.

M. Cautionary Statement:

Statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, and expectations are "forward-looking statements" within the meaning of applicable laws, guidelines, and regulations. These statements are

based on certain assumptions regarding future events, and the Company assumes no responsibility if actual results differ materially due to changes in internal or external factors.

By order of the Board of Directors

**Trivandrum
5.08.25**

Sd/-
Ms. Suzannah Muthoot
Whole Time Director
(DIN-09792874)

Sd/-
Thomas Muthoot
Director
(DIN-00082099)

RELATED PARTY TRANSACTION POLICY

1. BACKGROUND

The Companies Act, 2013 including the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015, Indian Accounting Standard, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by Reserve Bank of India (as amended from time to time) provide for various regulations which govern the related party transactions of a Company.

In light of the above requirements, Muthoot Housing Finance Company Limited has framed this Policy on Related Party Transactions ("Policy").

2. OBJECTIVE

This Policy is framed to ensure the proper conduct, documentation, approval and reporting of transactions between the Company and its related parties. Provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. This Policy shall supplement the Company's other policies in force that may be applicable to or involve transactions with related parties.

3. DEFINITIONS

- (a) **"Audit Committee"** means Committee of Board of Directors of Muthoot Housing Finance Company Limited constituted under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015 as applicable.
- (b) **"Arm's Length Price"** means a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions.
- (c) **"Board"** means Board of Directors of Muthoot Housing Finance Company Limited.
- (d) **"Company"** shall mean Muthoot Housing Finance Company Limited, a Company incorporated under the provisions of Companies Act, 1956 and having its Registered Office at Muthoot Centre, Punnen Road, Trivandrum 695039.
- (e) **"Key Managerial Personnel"** means Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 and includes:
 - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
 - ii) Company Secretary;

- iii) Chief Financial Officer and
- iv) such other officer as may be prescribed.
- (f) **"Material Modifications"** means any modification or amendment to the related party agreement / transaction which is likely to result in a 20% upward or downward revision in the original contractual value of the related party agreement / transaction approved by the Audit Committee.
- (g) **"Material Related Party Transaction"** shall have the same meaning as defined in Regulation 23 of the SEBI (LODR) Regulations, 2015 if applicable.
- (h) **"Relative"** in relation to a related party shall have the same meaning assigned to in Section 2 (77) of the Companies Act, 2013.
- (i) **"Related party"** with reference to the Company shall have the same meaning as defined under Section 2 (76) of the Companies Act, 2013 read with Regulation 2 (1) (zb) of the SEBI (LODR) Regulations, 2015.
- (j) **"Related Party Transactions"** shall have the same meaning as defined under Regulation 2 (1) (zb) of the SEBI (LODR) Regulations, 2015 or as envisaged in Section 188 (1) of the Companies Act, 2013 and Indian Accounting Standard. Provided that the following shall not be as related party transaction:
 - (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) the following corporate actions by the listed entity which are uniformly applicable / offered to all shareholders in proportion to their shareholding:
 - a) payment of dividend;
 - b) subdivision or consolidation of securities;
 - c) issuance of securities by way of a rights issue or a bonus issue; and
 - d) buy-back of securities.
 - (c) acceptance of fixed deposits by banks / Non-Banking Finance Companies at the terms uniformly applicable / offered to all shareholders / public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the SEBI;
 - (d) any other transactions that may be specifically exempted by the SEBI or any other applicable regulator from time to time.
- (k) **"Transaction"** with a related party shall be construed to include a single transaction or a group of transactions in a contract.

- (l) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) Regulations, 2015, Securities Contract Regulation Act, 1956 or any other applicable law or regulation.

Reference and reliance may be placed on any clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and any other Authorities from time to time on the interpretation of any of the terms defined hereinabove.

- (m) "Holding company" means a holding company as defined in sub-section (46) of section 2 of the Act.

4. APPROVALS REQUIRED FOR RELATED PARTY TRANSACTIONS

A. Approval of the Audit Committee

- i) All related party transactions and subsequent material modifications shall require prior approval of Audit Committee of the Company.
- ii) Only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.
- iii) A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company.
- iv) With effect from April 01, 2023, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the Company.
- v) Prior approval of the Audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15 (2) of the SEBI (LODR) Regulations, 2015 are applicable to such listed subsidiary.

For such transactions, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

B. Omnibus Approval from the Audit Committee

Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions:

- a) the Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy on related party transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
- c) the omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that shall be entered into;
 - (ii) the indicative base price / current contracted price and the formula for variation in the price, if any; and
 - (iii) such other conditions as the Audit Committee may deem fit.

Where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- d) the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given;
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of such period.

C. Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Companies Act, 2013, all transactions specified therein which are not in the ordinary course of business or not at arm's length basis, shall be placed before the Board for its approval.

D. Approval of the Shareholders of the Company

- All material related party transactions and subsequent material modifications thereof shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- All transactions specified under Section 188 of the Companies Act, 2013 which:
 - a) are not in the ordinary course of business or not at arm's length basis; and
 - b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014;

shall be placed before the Shareholders for their approval

5. PROCEDURE FOR AUDIT COMMITTEE'S APPROVAL

The Audit Committee shall be provided with the details of each existing or proposed related party transaction that it has not previously approved or rejected, including the following details:

- (a) the terms of the transaction;
- (b) the business purpose of the transaction;
- (c) the details of the related parties; and
- (d) the benefits to the Company and the related parties.

Any member of the Audit Committee who is interested in the related party transaction shall not vote to approve the resolutions. In connection with the review of a related party transaction, the Committee shall consider, among other factors it deems appropriate, whether the related party transaction is on terms not less favourable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party's interest in the Related Party Transaction.

6. REVIEW PROCEDURE

The statement of related party transactions may be submitted to the Audit Committee and the Board, on a quarterly basis, for review. Such statement shall include the following:

- (a) The details of all related party transactions entered into by the Company during the specific quarter;
- (b) The status of related party transactions undertaken as per the approval of the Shareholders of the Company;
- (c) The status of related party transactions undertaken as per the Omnibus Approval of the Audit Committee.

7. DISCLOSURE

- a) The compliance with this policy shall be disclosed to stock exchanges on a quarterly basis through the Compliance Report on Corporate Governance based on the company's applicability of the SEBI regulations if any.
- b) The Company shall disclose this policy on dealing with Related Party Transactions on its website.
- c) The Company shall, along with the Board's Report placed before the shareholders in the Annual General Meeting, include a statement in Form AOC-2 containing the particulars

of contracts or arrangements with related parties as referred to in Section 188 (1) of the Companies Act, 2013.

- d) The Company shall submit to the stock exchanges disclosures of related party transactions on a half yearly basis in the format as specified by SEBI from time to time and publish the same on the website of the Company based on the company's applicability of the SEBI regulations if any .

8. TRANSFER PRICING NORMS / MECHANISM FOR INTRA - GROUP TRANSACTIONS

Transfer pricing refers to the pricing strategy in play when there is transfer of goods/services between associated enterprises. Transfer pricing law aims to ensure that transactions between associated enterprises does not happen at an unreasonably favourable or controlled price.

In case of any intra-group transactions taking place with any group companies, the Company will follow the "Transfer Pricing Laws" enumerated under the Income Tax Act and rules made thereunder. Any income/expense in relation to a transaction with any related parties should be computed using the arm's-length pricing principle.

9. REGISTERS

The Company shall maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately, the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of directors.

Every director or key managerial personnel shall, within a period of thirty days of his appointment, or relinquishment of his office in other Companies, as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the register maintained.

The Company shall maintain such register in the Head Office of the Company and provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of such fee as may be specified in the articles of the Company but not exceeding ten rupees per page.

This register shall also be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

10. MATERIALITY THRESHOLD LIMITS

The threshold limits for identifying the material related party transactions shall be as follows:

- a) Rs. 10,00,00,00,000/- (Rupees One Thousand Crores) or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, for all other related party transaction to be entered into, individually or taken together with the previous transactions during the financial year.
- b) 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements for related party transaction involving payments made / to be made to any Related Party with respect to brand usage or royalty.

11.CONFLICT IN POLICY

In the event of a conflict between this Policy and the extant regulations or laws (as may be amended, replaced, restated, from time to time), the relevant provisions contained in the regulations and laws on the date of the transaction shall prevail over this Policy.

12.POLICY REVIEW

The Related Party Transactions Policy of the Company shall be reviewed on a yearly basis .

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Annexure- B

FORM NO. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements, or transactions entered by the company during the year ended March 31, 2025 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No	Name (s) of the Related Party	Nature of Arrangements & Nature of Relationship	Duration of the Arrangements	Salient terms of the Arrangements	Date of approval by the Board/EGM	Amount paid as advances, if any (Rs)
1.	Muthoot Pappachan Technologies Limied (MPTL)	Amendment to Master Service Agreement- Availing of IT services Group Company	From 1 st April 2024 for a period of 5 years	For availing various IT related services like Share of ORACLE License fee & Server usage fee, Share of ORION License fee and Share of KASTLE License fee etc from MPTL	6.2.2024	Nil

2.	Muthoot Capital Services Limited.(MCSL)	Agreement for Referral Services Group Company	From 30 th January 2025 for a period of 5 years thereafter stand automatically renewed for further periods of one year each, until otherwise terminated earlier	Home Loan and/or LAP referral by Muthoot Capital Services Ltd (MCSL),Group Company to Muthoot Housing Finance Company Ltd (MHFCL).	07.11.2024	Nil
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For and on the behalf of the Board of Directors

Sd/-

**Trivandrum
5.08.25**

**Ms. Suzannah Muthoot
Whole Time Director
(DIN-09792874)**

Sd/-

**Thomas Muthoot
Director
(DIN-00082099)**

Annexure C

NOMINATION & REMUNERATION POLICY

❖ INTRODUCTION

The Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors and recommended to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees of the Company in terms of the provisions of Section 178 (3) of the Companies Act, 2013 (the Act).

❖ DEFINITIONS

‘Board’ means Board of Directors of the Company.

‘Policy or This Policy’ means Nomination and Remuneration Policy.

‘Committee’ means Nomination and Remuneration Committee (NRC) of the Company as constituted or reconstituted by the Board, in accordance with the Act.

‘Company’ means Muthoot Housing Finance Company Limited (MHFCL).

‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

‘Key Managerial Personnel (KMP)’ means-

- a) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
- b) the Company Secretary; and
- c) the Chief Financial Officer

‘Senior Management’ means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

❖ APPLICABILITY

- a) Directors (Executive and Non Executive)

- b) Key Managerial Personnel
- c) Senior Management Personnel;
- d) Other Employees

❖ **CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted the “Nomination and Remuneration Committee” of the Board on 29.06.2015. This is in line with the requirements under the Companies Act, 2013.

The Board has the authority to reconstitute this Committee from time to time.

❖ **OBJECTIVE OF THE COMMITTEE:**

The key objective of the NRC would be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To carry out evaluation of Director’s performance.
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To ensure that level and composition of remuneration is reasonable and sufficient and meets appropriate performance bench marks.
- To perform such other functions as may be necessary or appropriate for the performance of its duties determined by the Board from time to time.

❖ **APPOINTMENT OF DIRECTOR, KMPS AND SENIOR MANAGEMENT.**

Appointment Criteria and Qualifications;

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

3. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years. Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

TERM / TENURE:

1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

3. Removal

The Committee may recommend with reasons, the removal of a Director subject to the provisions of the Companies Act, 2013, rules and regulations.

4. Evaluation

The Committee shall carry out the evaluation of performance of Directors on yearly basis.

❖ **REMUNERATION OF DIRECTOR, KMPS, SENIOR MANAGEMENT AND OTHER EMPLOYEES.**

The Company has adopted the remuneration policy for the Directors, KMPS and other employees pursuant to the provisions of the Act based on the following criteria.

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;
- iii. Remuneration to Directors, KMPS and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel, and senior managements and other employees. The Directors Remuneration shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any. The Remuneration of the KMPS, Senior Management and Other Employees shall be in accordance with the Policy of the Company which is applicable to the employees. The committee may consider and approve the Remuneration of KMPS, Senior Management and Other Employees keeping in view of the performance of the business/ function under his control and also the contribution of the business/ function under his control towards the overall performance of the Company

❖ **SITTING FEE TO INDEPENDENT DIRECTORS:**

Independent directors may receive remuneration by the way of fees for attending meetings of the Board of Directors ;

Provided that the amount of such fee shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the central Government from time to time.

Any amendment to the above policy shall be subject to the prior approval of the NRC and the Board of Directors.

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

1. Brief outline on CSR Policy of the Company.	Muthoot Housing Finance Company Ltd (MHFL) is committed to driving impactful change through its Corporate Social Responsibility (CSR) initiatives, guided by the core theme of HEEL — Health, Education, Environment, and Livelihood. This thematic framework reflects MHFL's holistic approach to community development and well-being. In alignment with the Company's vision and values, MHFL actively engages both its employees and customers in its CSR efforts. These initiatives are executed through the Muthoot Pappachan Foundation, the CSR arm of the Muthoot Pappachan Group. Through strategic planning and implementation within the HEEL framework, MHFL strives to create meaningful value in the communities it serves. The Company remains steadfast in its mission to promote sustainable development and social welfare, thereby fulfilling its role as a responsible corporate citizen. The objective of the MHFL CSR Policy is to: • Build a framework of CSR activities with a philanthropic approach in line with its business objectives, which also benefits the organization at large. • Shape sustainability for the organization by 'Engaging the Community.' • Build a corporate brand through CSR activities. • Make it "an integral part of the Company's DNA, so much so that it has to be an organic part of the business", for its stakeholders. The over-arching framework of HEEL not only ensures consistency in CSR activities but also guarantees full compliance with the CSR requirements mandated by the Companies Act, 2013. By focusing on selected key areas, HEEL enables MHFL to adopt a systematic, focused, and professional approach to community engagement.
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2. Composition of CSR Committee:				
Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Santanu Mukherjee	Independent Director	1	1
2	Thomas Muthoot	Managing Director	1	1
3	Thomas John Muthoot	Director	1	1
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.		https://muthoothousing.com/wp-content/uploads/2024/08/COMPOSITION-AND-CSR-PROJECTS-APPROVED_24-25.pdf Not Applicable		
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.				
5. a) Average net profit of the company as per section 135(5).		Rs. 34,81,23,797		
b) Two percent of average net profit of the company as per section 135(5)		Rs.69,63,000		
c) Surplus arising out of the CSR projects or programs or activities of the previous financial years.		Nil		
d) Amount required to be set off for the financial year,		Nil		
e) Total CSR obligation for the financial year (b+c+d).		Rs. 69,63,000		
6.				
a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).		Rs. 69,63,000		
b) Amount spent in Administrative Overheads		Nil		
c) Amount spent on Impact Assessment, if applicable.		Nil		
d) Total amount spent for the Financial Year [(a)+(b)+(c)].		Rs. 69,63,000		

e) CSR amount spent or unspent for the Financial Year:							
Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)						
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)				
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer		
Rs. 69,63,000	-	-	-	-	-		
f) Excess amount for set-off, if any:							
Sl. No.	Particular		Amount (in Rs)				
(i)	Two percent of average net profit of the company as per section 135(5)		Rs. 69,63,000				
(ii)	Total amount spent for the Financial Year		Rs. 69,63,000				
(iii)	Excess amount spent for the financial year [(ii)-(i)]		Nil				
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		Nil				
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]		Nil				
7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:							
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)
					Amount (in Rs).	Date of transfer	
	FY 2023-24	Nil	Nil	Nil	-	-	Nil
	FY 2022-23	Nil	Nil	Nil	-	-	Nil
	FY 2021-22	25,04,416	Nil	25,04,416	-	-	Nil
	TOTAL	25,04,416	Nil	25,04,416	-	-	Nil

As per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is hereby confirmed that the unspent CSR amount of ₹25,04,416 pertaining to the financial year 2021–22 was fully utilized during the financial year 2024–25. The said amount was expended on 10th July 2024 towards eligible CSR activities, in accordance with the approved action plan and within the prescribed timeline.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year

No

If Yes, enter the number of Capital assets created/ acquired

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of The property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration No, if applicable	Name	Registered address
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.-Nil

5.08.2025 Trivandrum	Sd/- (Thomas Muthoot) Chairman, CSR Committee (DIN 00082099)	Sd/- (Thomas John Muthoot) Director (DIN-00011618)
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UDIN: F008705G000669750

SECRETARIAL AUDIT REPORT

for the financial year ended on 31st March, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

Muthoot Housing Finance Company Limited

TC No 14/2074-7, Muthoot Centre

Punnen Road, Thiruvananthapuram

Kerala, India-695039

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Muthoot Housing Finance Company Limited for the financial year ended on 31st March, 2025 according to the provisions of:

- 1 The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3 The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4 Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable);

- 5 The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
- a The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(not applicable);
 - b The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999(not applicable);
 - e The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable);
 - g The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (This regulation amended in 2021 July.) (not applicable);
 - h The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(not applicable); and
- 6 National Housing Bank Act, 1987 and housing finance Companies (NHB) directions 2010 and Master direction-NBFC-HFC (Reserve Bank of India) directions, 2021 as amended from time to time.

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

- i Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- iii The National Housing Bank Act, 1987 and the Guidelines and circulars issued RBI / the Housing Finance Companies (NHB) Directions, 2010 and Master direction-NBFC-HFC (Reserve Bank of India) directions, 2021 as amended from time to time.

During the period under review the company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above as detailed below:

- i In respect of issue of further shares, company had complied with the provisions of the Companies Act, 2013.
- ii Where as in terms of the provisions of Section 149(4) & 149(5) of the Companies Act, 2013 read with rule 4 of the companies (appointment and

qualification of directors) Rules, 2014, the company had appointed required independent directors on the board.

- iii Whereas in terms of the provisions of Section 177(1) of the Companies Act, 2013 read with rule 6 of the companies (meetings of board and its Powers) Rules, 2014, the company had constituted an audit committee.
- iv Whereas in terms of the provisions of Section 178(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has constituted a Nomination & Remuneration Committee of the board.
- v Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the company was required to have certain key managerial personnel (KMP). The company had appointed required key managerial personnel as required in terms of the provisions of section 203 of the Companies Act, 2013.
- vi Whereas in terms of the provisions of section 138 of the Companies Act, 2013 the company has appointed internal auditors.

We, further report that

- i The board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the act.
- ii Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were given at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii There are adequate systems and processes in the company commensurate with the size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- iv That during the period, the company has made preferential allotment of equity shares to its holding company at premium of fifty-six rupees.
- v That during the period, the company had issued rated, listed, unsecured, redeemable, taxable, subordinated, non-convertible debentures (NCDS) bearing interest rates of 11.15% and 11.25%, aggregating to one hundred (100) crores rupees, by way of private placement. These NCDS were issued in multiple tranches for tenures of 66 months and 67 months, respectively, and are listed on the Bombay Stock Exchange (BSE). The issuance was undertaken in compliance with the applicable provisions of the Companies Act, 2013, and the guidelines prescribed by the Securities and Exchange Board of India (SEBI).
- vi That during the period, the company had issued Commercial Paper amounting to fifty-five (55) Crore rupees on December 5, 2024, with a

maturity date of December 4, 2025, to selected investors. The Commercial Paper is listed on Bombay Stock Exchange (BSE), in accordance with the framework prescribed by the Securities and Exchange Board of India (SEBI) for the listing of Commercial Papers (as amended from time to time).

- vii During the period, the Reserve Bank of India had penalised the company for a violation of section 45 and 46 of non-banking directions 2021 regarding getting prior approval for appointing non-executive director during the financial year 2021-22.

UDIN: F008705G000669750

Thiruvananthapuram
27.06.2025

Sd/-
P Sajee Nair, FCS
Company Secretary
C P No.: 12772
PRN:3080/23

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

The Members
Muthoot Housing Finance Company Limited
Thiruvananthapuram

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

UDIN: F008705G000669750

Sd/-

Thiruvananthapuram
27.06.2025

P Sajee Nair, FCS
Company Secretary
CP.: 12772
PRN: 3080/23

To

The Members of

Muthoot Housing Finance Company Limited

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Financial Statements of Muthoot Housing Finance Company Limited (hereinafter referred as “the Company”), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SA’s) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	Expected Credit Loss – Impairment of carrying value of loans and advances: Ind AS 109: Financial Instruments (“Ind AS 109”) requires the Company to provide for impairment of its Loans and Advances (“Financial Instruments”) using the Expected Credit Losses (“ECL”) approach. ECL involves an estimation of probability-weighted loss on Financial Instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company’s loans and advances. As at March 31, 2025, the carrying value of loan assets measured at amortized cost, aggregated Rs. 2,39,794.90 lakhs (net of allowance of ECL Rs. 1,791.30 lakhs) constituting 89.2% of the Company’s total assets. In the process, a significant degree of judgement has been applied by the management for: a. Data inputs - The application of ECL model requires several data inputs. This increases the risk of	Our Audit Approach: Our audit approach was a combination of test of internal controls and substantive procedures which included: a. Evaluating the Company’s policy, as approved by the Board of Directors, for impairment of carrying value of loans and advances and assessing appropriateness of the Company’s impairment methodologies as required under Ind AS 109. b. Obtained an understanding of the ECL model adopted by the Company including the key inputs and assumptions including management overlays. c. Testing the design and effectiveness of internal controls over the following: • Key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. • Management’s controls over authorisation and calculation of adjustments to the output generated from the ECL model.

completeness and accuracy of the data that has been used to apply assumptions in the model. b. Model estimations – Generally judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”) and Exposures at Default (“EAD”) considering the impact of infrequent past events on future probability of default and forward – looking macro – economic factors. The PD and the LGD are the key drivers of estimation complexity in the determination of the ECL and as a result are considered the most significant judgmental aspects of the Company’s modelling approach. c. Defining qualitative/ quantitative thresholds for ‘significant increase in credit risk’ (“SICR”) and ‘default’, wherein Company’s credit risk function also segregates loans with specific risk characteristics based on trigger events identified using sufficient and credible information available from internal as well as external sources. Impairment allowance for these exposures is reviewed and accounted for on a case-by-case basis. d. Qualitative and quantitative factors are used in staging the loan and estimation of behavioral life for the loan assets measured at amortized cost. e. Adjustments to the model determined ECL results take into consideration and address	d. Further, for a sample of ECL allowance on loan assets we tested: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, model assumptions applied and inquiries with management. • We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. • We evaluated the reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD. • Tested a sample of performing loans (Stage 1) to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. e. Testing management’s controls on compliance with disclosures to confirm the compliance with the relevant provisions of Ind AS 109 and the RBI. f. Evaluating the appropriateness of the Company’s Ind AS 109 impairment methodologies and reasonableness of assumptions used. g. We also made management enquiries with respect to the overlay quantum. h. For models which were changed and updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.
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	emerging trends including management overlay. (Refer Note 2.6.1(d) and 41.B of the Financial Statements)	i. Discussed with the management, the approach, interpretation, systems and controls implemented in relation to probability of default and stage-wise bifurcation of product-wise portfolios for timely ascertainment of stress and early warning signals. j. Read and assessed the disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.
2.	Information Technology (IT) Systems and Controls The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls (i.e. user access management, segregation of duties and controls over system change) of the key IT systems used in financial reporting was considered to be a Key Audit Matter.	Our Audit Approach: With the assistance of our IT specialists, we have obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls and segregation of duties. In particular, we have tested the design, implementation and operating effectiveness of the Company's general IT controls over the key IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit.

**Information Other than the Financial Statements and Auditor's Report thereon
(Other Information)**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Company for the financial year ended March 31, 2025 but does not include the financial statements and our auditor's report thereon. The reports containing the other information as above are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters,

the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
4. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
5. On the basis of the written representations received from the Directors as on March 31, 2025 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2025 from being appointed as a Director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial statement reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on

the adequacy and operating effectiveness of the Company's internal financial controls over financial statement reporting.

7. With respect to the other matters to be included in the Auditor's Report in accordance with Section 197(16) of the Act, the Company has paid remuneration to its Directors during the year in compliance with the requirements of section 197.
8. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the financial statements (Refer Note 60 to the financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
 - iv.
 - The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note No. 83 to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note No. 83 to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year. Hence, the compliance with the provisions of Section 123 of the Act is not applicable to the Company for the financial year.

- vi. As stated in Note No. 47 to the financial statements and based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Chaturvedi & Co LLP

Chartered Accountants

(Firm Registration No. 302137E/ E300286)

Sd/-

(S.N. Chaturvedi)

(Partner

Membership No. 040479

ICAI UDIN: 25040479BMLBIT1388

Place: Mumbai

Date: May 07, 2025

ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MUTHOOT HOUSING FINANCE COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2025.

1.

- a) i) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
ii) According to the information and explanations given to us and the records of the company examined by us, the Company has maintained proper records showing full particulars of intangible assets.
- b) According to the information and explanations given to us and the records of the Company examined by us, the Company has a regular programme of physical verification of its Property, Plant and Equipment, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and the records of the Company examined by us, there are no immovable properties held by the Company and included under Property, Plant & Equipment and hence the reporting requirements under the Clause (i)(c) of Para 3 of the Order are not applicable at this stage.
- d) According to the information and explanations given to us and the records of the Company examined by us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and hence the reporting requirements under the Clause (i)(d) of Para 3 of the Order is not applicable.
- e) According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2.

- a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventory. Accordingly, the reporting requirements under Clause (ii)(a) of Para 3 of the Order are not applicable to the Company.
- b) The Company did not have working capital limits sanctioned in excess of five crore rupees from banks and/or financial institutions on the basis of security of current assets.

3. The Company has investments in equity shares, security receipts and mutual funds. The Company has not provided any guarantee or security or granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships (LLPs) during the year. The Company has granted secured loans to other parties. In respect of the investments made and secured loans granted to other parties;

a) The Company is a Non-Banking Financial Company – Housing Finance Company (HFC) engaged in the business of granting housing/property loans and hence the reporting under clause (iii)(a) of Para 3 the Order is not applicable.

b) In our opinion, the investments made and the terms and conditions of grant of all loans during the year are, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Being a Non-Banking Finance company engaged in the business of granting housing/property loans, there are instances of irregularities in repayment of principal amounts and receipt of interest as per stipulated terms. Having regard to the nature of business undertaken by the company, specific details of the irregularities are not reported, although particulars of overdue for more than ninety days as per books of accounts as at Balance Sheet date have been reported in Para (d) below.

d) In respect of loans granted by the Company, the total amount overdue for more than ninety days as per books of account as at the balance sheet date is as under:

(Rs. In Lakhs)

No. of cases	Principal Amount Overdues	Interest Overdues	Total Overdues
534	3,145.21	-	3,145.21

In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.

e) The Company is a Non-Banking Financial Company – Housing Finance Company (HFC) engaged in the business of granting housing/property loans and hence the reporting under clause (iii)(e) of Para 3 of the Order is not applicable.

f) According to the information and explanation given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year and hence the reporting under clause (iii)(f) of Para 3 of the Order is not applicable.

4. According to the information and explanations given to us and the records of the

Company examined by us, the Company has not given any loans, or provided any guarantee or security as specified under section 185 of the Companies Act, 2013. The provisions of section 186 of the Act with respect to loans, guarantee and security are not applicable to the Company being a Housing Finance Company and the investments made by the Company are in compliance with the provisions of section 186 of the Act.

5. The Company has not accepted any deposits or any amounts deemed to be deposits from the public during the year which attracts the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company in terms of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder are not applicable to the Company.
6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company at this stage.
7.
 - a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company, to the appropriate authorities during the year.

According to the information and explanations given to us and the records of the Company examined by us, there are no arrears of undisputed statutory dues outstanding on the last day of the financial year for a period of more than six months from the date on which they become payable except for the following dues given in table below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which amount relates	Due date	Date of Payment	Remarks
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employee Contribution to Provident Fund.	0.03	December, 2024	15 th of Subsequent month	Not paid till date	Employee UAN linking issues, employee absconded

b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed amounts of provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues required to be deposited as at March 31, 2025 for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, the following disputed amounts of Goods and Service Tax have not been deposited with the authorities as at March 31, 2025 -

Nature of Dues	Statute	Amount (Rs. In Lakhs)	Period to which amount relates	Forum where the dispute is pending
Goods and Service Tax	*The Central Goods and Services Tax Act, 2017	0.84 (Net of amount deposited Rs 0.01)	FY 2017-18	Goods and Service Tax, First Appellate Authority, Uttar Pradesh
Goods and Service Tax	The Central Goods and Services Tax Act, 2017	2.59 (Net of amount deposited Rs. 0.21)	FY 2021-22	Goods and Service Tax, First Appellate Authority, Andhra Pradesh

*The Company has filed application under the Amnesty Scheme offered by the GST authorities to settle the matter. The sanction from the authorities is awaited.

8. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. According to the information and explanations given to us and on the basis of our examination of the records of the Company:

- a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest to any lender.
- b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained except for an amount of Rs. 12,500 lakhs disbursed towards the end of the financial year which has been parked in fixed deposits/mutual funds pending utilization.
- d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company did not have any subsidiaries or joint ventures or associates during the year hence reporting under clause (ix)(e) of Para 3 of the Order is not applicable.
- f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company did not have any subsidiaries or joint ventures or associates during the year hence reporting under clause (ix)(f) of Para 3 of the Order is not applicable.

10.

- a) According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and accordingly the reporting requirement under the clause (x)(a) of Para 3 of the Order is not applicable to the Company at this stage.
- b) During the year under section 62(1)(c) of the Companies Act, 2013, the Company has made preferential allotment (private placement) of 37,87,875 equity shares of face value Rs. 10/- each at a premium of Rs. 56/- each to Muthoot Fincorp Limited ("Holding Company") aggregating to Rs. 2,500 lakhs. According to the information and explanations given to us and the records of the Company examined by us, the requirements under Section 42 and Section 62 of the Companies Act, 2013 have been complied with in this regard and the funds raised have been used for the purposes for which the funds were raised. The Company has not issued any convertible debentures during the year.

11.

- a) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company, noticed or reported during the year, nor have been informed of such case by the Management.
- b) No report under Section 143(12) of the Act has been filed in Form ADT-4 regarding any frauds, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received whistle-blower complaints during the year and accordingly the reporting requirements under clause (xi)(c) of Para 3 of the Order is not applicable to the Company at this stage.

12. The Company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) (a), (b) and (c) of Para 3 of the Order are not applicable.

13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in Note No. 46 to the financial statements as required by the applicable Ind AS.

14.

- a) The Company has an internal audit system, which in our opinion, is commensurate with the size and nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of Para 3 of the Order is not applicable.

16.

- a) According to the information and explanations given to us and the records of the Company examined by us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) (a) of Para 3 of the Order is not applicable.
- b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not conducted any Non-Banking

Financial or Housing Finance Activities without a valid Certificate of Registration (CoR) from the National Housing Bank as per NHB Act, 1987, as applicable for Housing Finance Companies

- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the reporting requirements under clause (xvi) (c) of Para 3 of the Order is not applicable.
 - d) According to the information and explanations given to us, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the reporting requirement under clause (xvi) (d) of Para 3 of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year, hence the reporting requirement under clause (xviii) of Para 3 of the Order is not applicable.
19. According to the information and explanations given to us and the records of the Company examined by us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets, payment of financial liabilities and other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. According to the information and explanations given to us and the records of the Company examined by us,
- a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
 - b) There are no amounts remaining unspent towards Corporate Social Responsibility ("CSR") under sub-section (5) of Section 135 of the Companies Act, 2013, pursuant to any ongoing project relating to the current financial year.

21. The Company is not required to prepare consolidated financial statements and accordingly, the reporting requirement under clause (xxi) of Para 3 of the Order is not applicable.

For Chaturvedi & Co LLP

Chartered Accountants

(Firm Registration No. 302137E/ E300286)

Sd/-

S.N. Chaturvedi

(Partner)

Membership No. 040479

ICAI UDIN: 25040479BMLBIT1388

Place: Mumbai

Date: May 07, 2025

ANNEXURE B' REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MUTHOOT HOUSING FINANCE COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2025

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control systems with reference to financial statements reporting of Muthoot Housing Finance Company Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls systems with reference to financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls system with reference to financial statements reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements reporting.

Meaning of Internal Financial Controls with reference to Financial Statements reporting

A Company's internal financial controls system with reference to financial statements reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls system with reference to financial statements reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements reporting

Because of the inherent limitations of internal financial controls system with reference to financial statements reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements reporting may become inadequate because of changes in conditions,

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Co LLP

Chartered Accountants

(Firm Registration No. 302137E/ E300286)

Sd/-

S.N. Chaturvedi

(Partner)

Membership No. 040479

ICAI UDIN: 25040479BMLBIT1388

Place: Mumbai

Date: May 07, 2025

Muthoot Housing Finance Company Limited
Balance sheet as at 31 March, 2025
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March, 2025	As at 31 March, 2024
ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	3	15,282.86	18,266.12
(b) Bank balance other than cash and cash equivalents	4	1,558.27	1,472.08
(c) Loans	5	2,39,794.90	2,00,922.41
(d) Investments	6	5,849.31	3,841.91
(e) Other financial assets	7	2,731.32	603.82
		2,65,216.66	2,25,106.34
2. Non-financial assets			
(a) Current tax assets (net)		478.29	185.76
(b) Deferred tax assets (net)	8	237.89	490.37
(c) Property, plant and equipment	9	974.52	582.95
(d) Intangible assets under development	10	68.62	-
(e) Other intangible assets	10	61.48	11.67
(f) Right of use assets	34	697.30	512.22
(g) Assets held for sale		180.59	354.59
(h) Other non-financial assets	11	998.50	556.70
		3,697.19	2,694.26
Total Assets		2,68,913.85	2,27,800.60
LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Derivative financial instruments	12	382.91	8.47
(b) Payables:	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		16.41	1.83
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		592.52	419.70
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises.		-	519.52
(c) Debt securities	14	5,148.02	-
(d) Borrowings (other than debt securities)	15	2,11,690.92	1,82,060.69
(e) Subordinated liabilities	16	9,579.13	-
(f) Lease liabilities	34	757.95	557.50
(g) Other financial liabilities	17	1,026.13	11,432.61
		2,29,193.99	1,95,000.32
2. Non-financial liabilities			
(a) Provisions	18	474.62	366.12
(b) Other non-financial liabilities	19	228.81	162.35
		703.43	528.47
Total liabilities		2,29,897.42	1,95,528.79
3. Equity			
(a) Equity share capital	20	8,160.62	7,781.84
(b) Other equity	21	30,855.81	24,489.97
		39,016.43	32,271.81
Total Liabilities and Equity		2,68,913.85	2,27,800.60

Material accounting policies

2

The accompanying notes are an integral part of these financial statements

This is the balance sheet referred to in our report of even date.

For Chaturvedi & Co LLP
Chartered Accountants
(Firm Registration No. 302137E/ E300286)

For and on behalf of the Board of Directors of
Muthoot Housing Finance Company Limited

SD/-
S.N. Chaturvedi
(Partner)
Membership No. 040479
Place : Mumbai

SD/-
Thomas Muthoot
Director
DIN: 00082099
Place : Kochi

SD/-
Thomas George Muthoot
Director
DIN: 00011552
Place : Kochi

SD/-
Thomas John Muthoot
Director
DIN: 00011618
Place : Kochi

SD/-
Suzana Muthoot
Whole-time Director
DIN: 09792874
Place : Kochi

SD/-
Pavan Kumar Gupta
Chief Executive Officer
Place : Mumbai

SD/-
Yogesh Udhoji
Chief Financial Officer
Place : Mumbai

SD/-
S. Sumesh
Company Secretary
Place : Mumbai

Date : 7 May 2025

Muthoot Housing Finance Company Limited
Statement of profit and loss for the year ended 31st March, 2025
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note	Year ended 31 March, 2025	Year ended 31 March, 2024
I. Revenue from operations			
Interest income	22	35,806.40	28,378.67
Net gain on fair value changes	23	462.36	373.34
Net gain on derecognition of financial instruments under amortised cost category	24	1,976.98	-
Fees and Commission income	25	1,162.50	0.32
Other financial services	26	728.60	520.49
Total Income (I)		40,136.84	29,272.82
II. Expenses			
Finance costs	27	19,898.46	13,839.89
Impairment on financial instruments	28	434.33	128.39
Employee benefits expenses	29	10,477.28	7,572.19
Depreciation, amortisation and impairment	30	698.76	409.41
Other expenses	31	2,960.99	2,652.63
Total expenses (II)		34,469.82	24,602.51
III. Profit before tax (I - II)		5,667.02	4,670.31
IV. Tax Expenses			
Current tax		1,162.16	1,125.27
Deferred tax charge/(credit)	8	263.94	72.43
Total tax expenses (IV)		1,426.10	1,197.70
V. Profit for the year (III-IV)		4,240.92	3,472.61
VI. Other comprehensive income			
A. Items that will not be reclassified to profit and loss			
Remeasurements gain/(loss) on defined benefit plan		(38.00)	(39.81)
Changes in value of forward element of forward contract		(2.46)	8.50
Income tax relating to items that will not be reclassified to profit or loss		10.18	7.88
Subtotal (A)		(30.28)	(23.43)
B. Items that will be reclassified to profit and loss			
The effective portion of gain/(loss) on hedging instruments in cash flow hedges		(5.09)	2.06
Income tax relating to items that will be reclassified to profit or loss		1.28	(0.52)
Subtotal (B)		(3.81)	1.54
Other Comprehensive Income (A + B)		(34.09)	(21.89)
Total comprehensive income for the year (V + VI)		4,206.83	3,450.72
Earning per equity share of INR 10 each			
Basic (INR)	35	5.33	4.63
Diluted (INR)	35	5.30	4.60

Material accounting policies

2

The accompanying notes are an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date.

For Chaturvedi & Co LLP
Chartered Accountants
(Firm Registration No. 302137E/ E300286)

For and on behalf of the Board of Directors of
Muthoot Housing Finance Company Limited

SD/-
S.N. Chaturvedi
Membership No. 040479
Place : Mumbai

SD/-
Thomas Muthoot
Director
DIN: 00082099
Place : Kochi

SD/-
Thomas George Muthoot
Director
DIN: 00011552
Place : Kochi

SD/-
Thomas John Muthoot
Director
DIN: 00011618
Place : Kochi

SD/-
Suzana Muthoot
Whole-time Director
DIN: 09792874
Place : Kochi

SD/-
Pavan Kumar Gupta
Chief Executive Officer
Place : Mumbai

SD/-
Yogesh Udhoji
Chief Financial Officer
Place : Mumbai

SD/-
S. Sumesh
Company Secretary
Place : Mumbai

Date : 7 May 2025

Muthoot Housing Finance Company Limited
Cash flow statement for the year ended 31 March, 2025
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
1. Cash flow from operating activities		
Profit before tax	5,667.02	4,670.31
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	698.76	409.41
Impairment on financial instruments/assets held for sale	511.73	423.62
Staff gratuity and leave encashment expenses	131.62	51.39
Provision for share based payment to employees	37.90	33.44
Income from investment in mutual fund	(462.36)	(373.34)
Net gain on derecognition of financial instruments under amortised cost category	(1,976.98)	-
Loss on sale of property, plant and equipment	0.94	1.15
Profit & Loss on Modification/Cancellation of Lease	(3.91)	-
Finance Cost	19,827.85	13,794.73
Adjustments towards effective interest rate in respect of loan assets	681.00	234.78
Unwinding of prepaid rent and security deposit	(20.38)	(12.53)
Interest cost on lease liability	70.61	45.16
Adjustment on account of consolidation of ESOP trust	(0.10)	(0.10)
Operating profit before working capital changes	25,163.70	19,278.01
Adjustments in working capital:		
(Increase)/ Decrease in bank balances other than cash and cash equivalents	(86.19)	224.03
(Increase)/Decrease in loans	(38,088.24)	(51,779.50)
(Increase)/Decrease in other financial assets	(2,107.12)	8.81
(Increase)/Decrease in other non-financial assets and Assets held for sale	(267.80)	(9.53)
Increase/(Decrease) in trade payables	(332.12)	72.68
Increase/(Decrease) in other financial liabilities	(10,406.48)	(107.44)
Increase/(Decrease) in provisions	(61.12)	-
Increase/(Decrease) in other non-financial liabilities	66.46	59.28
Increase/(Decrease) in Derivative financial instruments	366.88	-
Cash generated from/(used in) operations	(25,752.03)	(32,253.65)
Finance cost paid	(18,805.13)	(14,160.90)
Income tax paid (net)	(1,454.69)	(1,235.81)
Net cash generated from/(used in) operating activities	(46,011.85)	(47,650.36)
2. Cash flow from investing activities		
Purchase of property, plant and equipment/intangible assets	(883.40)	(462.25)
Net proceeds from purchase /sale of investments (short term debt mutual fund)	(1,842.23)	(678.62)
Redemption of Security Receipts	297.19	526.72
Proceeds from sale of property, plant and equipment	0.40	0.69
Net cash generated from / (used in) investing activities	(2,428.04)	(613.46)
3. Cash flow from financing activities		
Proceeds from equity shares issued	2,500.00	2,500.00
Payment towards lease liabilities	(378.03)	(200.36)
Proceeds of debt security	4,982.84	-
Proceeds from borrowings other than debt security	83,445.39	88,280.00
Repayments of borrowings other than debt security	(54,525.14)	(30,965.81)
Proceeds from Subordinated liabilities	9,431.57	-
Net cash generated from / (used in) financing activities	45,456.62	59,613.83
Net increase / (decrease) in cash and cash equivalents during the year (1+2+3)	(2,983.26)	11,350.01
Cash and cash equivalents at the beginning of the year	18,266.12	6,916.12
Total cash and cash equivalents at the end of the year	15,282.86	18,266.13

Cash and cash equivalents

Cash in hand	83.18	56.60
Balances with banks	5,638.68	2,674.74
Fixed deposits with banks having original maturity of less than 3 months	9,561.00	15,534.78
Cash and cash equivalents at the end of the year	15,282.86	18,266.12

Material accounting policies

2

Notes :

The above cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of cash flow" as specified in Companies (Indian Accounting Standards) Rules, 2015.

The accompanying notes are an integral part of these financial statements

This is the cash flow statement referred to in our report of even date.

For Chaturvedi & Co LLP

Chartered Accountants

(Firm Registration No. 302137E/ E300286)

For and on behalf of the Board of Directors of

Muthoot Housing Finance Company Limited

SD/-

S.N. Chaturvedi

(Partner)

Membership No. 040479

Place : Mumbai

SD/-

Thomas Muthoot

Director

DIN: 00082099

Place : Kochi

SD/-

Thomas George Muthoot

Director

DIN: 00011552

Place : Kochi

SD/-

Thomas John Muthoot

Director

DIN: 00011618

Place : Kochi

SD/-

Suzana Muthoot

Whole-time Director

DIN: 09792874

Place : Kochi

SD/-

Pavan Kumar Gupta

Chief Executive Officer

Place : Mumbai

SD/-

Yogesh Udhoji

Chief Financial Officer

Place : Mumbai

SD/-

S. Sumesh

Company Secretary

Place : Mumbai

Date : 7 May 2025

Muthoot Housing Finance Company Limited
Statement of changes in equity for the year ended 31st March, 2025
(All amounts are in INR Lakhs, unless otherwise stated)

a. Equity share capital:

Particulars	No. of Shares	Amount
At 1 April, 2023	7,35,81,066	7,358.11
Add: Issued during the year	42,37,290	423.73
At 31 March, 2024	7,78,18,356	7,781.84
Add: Issued during the year	37,87,875	378.79
At 31 March, 2025	8,16,06,231	8,160.62

b. Other equity:

Particulars	Reserve and surplus						Other comprehensive income			Total
	Security premium	Special reserve	Share option outstanding account	Treasury shares	General reserve	Retained earning	Changes in value of forward element of forward contract	The effective portion of gain/(loss) on hedging instruments in cash flow hedges	Remeasurements gain/(loss) on defined benefit plan	
Balance as at 31 March, 2023	9,294.63	2,618.56	187.12	(571.37)	(0.41)	7,465.99	(28.48)	(1.53)	(34.87)	18,929.64
Addition / appropriation during the year	2,076.27	700.00	33.44	-	-	(700.00)	-	-	-	2,109.71
Profit for the year	-	-	-	-	-	3,472.61	-	-	-	3,472.61
Adjustment on account of consolidation of ESOP trust	-	-	-	-	(0.10)	-	-	-	-	(0.10)
Other comprehensive income (net of tax)	-	-	-	-	-	-	6.36	1.54	(29.79)	(21.89)
Balance At 31 March, 2024	11,370.90	3,318.56	220.56	(571.37)	(0.51)	10,238.60	(22.12)	0.01	(64.66)	24,489.97
Addition / appropriation during the year	2,121.21	850.00	37.90	-	-	(850.00)	-	-	-	2,159.11
Profit for the year	-	-	-	-	-	4,240.92	-	-	-	4,240.92
Adjustment on account of consolidation of ESOP trust	-	-	-	-	(0.10)	-	-	-	-	(0.10)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(1.85)	(3.81)	(28.43)	(34.09)
Balance At 31 March, 2025	13,492.11	4,168.56	258.46	(571.37)	(0.61)	13,629.52	(23.97)	(3.80)	(93.09)	30,855.81

Material accounting policies 2
The accompanying notes are an integral part of these financial st: -
This is the Statement of changes in equity referred to in our report of even date.

For Chaturvedi & Co LLP

Chartered Accountants
(Firm Registration No. 302137E/ E300286)

For and on behalf of the Board of Directors of
Muthoot Housing Finance Company Limited

SD/-
S.N. Chaturvedi
(Partner)
Membership No. 040479
Place : Mumbai

SD/-
Thomas Muthoot
Director
DIN: 00082099
Place : Kochi

SD/-
Thomas George Muthoot
Director
DIN: 00011552
Place : Kochi

SD/-
Thomas John Muthoot
Director
DIN: 00011618
Place : Kochi

SD/-
Suzana Muthoot
Whole-time Director
DIN: 09792874
Place : Kochi

SD/-
Pavan Kumar Gupta
Chief Executive Officer
Place : Mumbai

SD/-
Yogesh Udhoji
Chief Financial Officer
Place : Mumbai

SD/-
S. Sumesh
Company Secretary
Place : Mumbai

Date : 7 May 2025

1. Corporate Information

Muthoot Housing Finance Company Limited (the “Company”), is a public company domiciled in India and incorporated under provision of the Companies Act, 1956 having Corporate Identity Number (CIN) - U65922KL2010PLC025624.

The Company is a Housing Finance Company registered with the National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 and primarily engaged in housing finance activities. The Company was incorporated on 5 March 2010 and received the certificate of registration from the NHB on 11 February 2011, enabling the Company to carry on business as a Housing Finance Company without accepting public deposits. The Company received its certificate of commencement of business on 1 June 2011. The registered address of the company is Muthoot Centre, TC No.14/2074-7, Punnen Road, Thiruvananthapuram – 695 039.

2. Summary of Material accounting policies

2.1. Basis of accounting and preparation

The accompanying financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) specified under Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended from time to time) and in accordance with the regulation of National Housing Bank. The Company has followed the same accounting policies in preparation of the financial statements as those followed in preparation of the annual financial statements as at and for the year ended 31 March 2025.

The financial statements have been prepared in accordance with information and disclosures mandated by Schedule III of the Act, applicable Ind AS and regulation of NHB.

The Company’s presentation and functional currency is Indian Rupees (INR). All amounts appearing in the financial statements are rounded to the nearest lakhs except where otherwise indicated.

2.2. Basis of measurement

The Company maintains accounts on accrual basis, except for the items disclosed separately in notes below. The financial statements have been prepared on a historical cost basis except for followings:

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans measured at fair value: and
- Assets held for sale are measured at fair value less cost to sell or carrying amount whichever is lower.

2.3. Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These Financial statements may require further adjustments, if any, necessitated by the guidelines/ clarifications/ directions issued in the future by Reserve bank of India, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

2.4. Use of estimates and judgements

The presentation of financial statements in accordance with Ind AS requires management to use of certain critical accounting estimates and assumptions. It also requires management to exercise judgment in the process of applying accounting policies. However, the actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and changes are made as management becomes aware of changes in the circumstances surrounding the estimates. They are based on historical experience, industry practice and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under circumstances. Revision to accounting estimates are recognised in the financial statements in the period in which the estimate is revised.

Wherever possible, detailed information about each of the critical estimates and judgements is included in relevant notes.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation;
- Impairment of financial assets such as loans, trade receivables etc;
- Estimation of tax expenses and liability; and
- Financials assets measured at amortised cost (loans).
- Estimates of share-based payment arrangement.

2.5. Recognition of income

2.5.1. The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

2.5.2. Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets and financial assets measured at fair value through the statement of profit and loss (FVTPL).

Interest Income accruing on credit impaired assets and overdue interest levied on customers for delay in repayment of contractual cash flows are both recognized on receipt basis.

2.5.3. Revenue from contracts

Revenue is measured at fair value of the consideration received or receivable.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: *Identify contract(s) with a customer:* A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: *Identify performance obligations in the contract:* A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: *Determine the transaction price:* The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: *Allocate the transaction price to the performance obligations in the contract:* For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

2.5.4. Dividend income

Dividend Income is recognised when the Company's right to receive dividend is established by the reporting date.

2.5.5. Investment income

The gain or loss on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investment is determined on the basis of first in first out cost basis.

2.5.6. Other income

- (a) Other financial services include late payment interest, cheque bounce charges and other charges from customers are accounted on receipt basis due to uncertainty of its realisation.
- (b) All other incomes are accounted on accrual basis.

2.6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.6.1. Financial assets

(a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at FVTPL, are recognised initially at fair value plus transaction cost that are attributable to the acquisition of the financial asset.

(b) Classification and subsequent measurement

Financial assets are subsequently measured in their entirety at amortised cost or fair value depending on the classification of respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristic of the financial assets, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL.

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- **Financial Asset at amortised cost**

A Financial Asset is measured at amortised cost if both the following conditions are met:

The assets are held within business model whose objective is:

- To hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely consisting of payments of principle and interest (SPPI) on the principle outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are integral part of EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in statement of profit and loss.

- **Financial Asset at fair value through other comprehensive income (FVTOCI)**

A Financial Asset is measured at fair value through other comprehensive income if both the following conditions are met:

The assets are held within business model whose objective is achieved by both

- Collecting contractual cash flows and selling financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are SPPI on the principle outstanding.

After initial measurement, such financial assets are subsequently measured at fair value. Interest income under EIR method and impairment losses are recognised in statement of profit and loss. Other net gain or losses are recognised as OCI.

- **Financial Assets at fair value through the statement of profit and loss (FVTPL)**

FVTPL is residual category for Financial Asset. Any Financial Asset, which does not meet the criteria for categorization at amortised cost or as FVTOCI, is classified as FVTPL. After initial measurement, any fair value changes including any interest income, impairment losses and other net gains and losses are recognised in statement of profit and loss.

(c) De-recognition

A financial asset is primarily derecognised when the right to receive cash flow from assets have expired. On de-recognition, any gain or loss on Financial Asset are recognised in the statement of profit and loss, except for financial assets at FVTOCI, where on de-recognition accumulated gain or losses in OCI is re-classified to profit or loss.

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in statement of Profit and Loss.

(d) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets other than those amortised cost measured at fair Value through Profit and Loss Account. However,

the Company has maintained the minimum provision requirement as per NHB regulations for loan assets.

Loss allowances on trade receivables are measured following 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets such as Loan Assets, the loss allowances are measured at 12-month ECL only if there is no significant deterioration in the credit risk since initial recognition of the assets.

2.6.2. Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as securities premium.

2.6.3. Financial liabilities

Recognition and initial measurement

- (a) Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities, other than those measured at FVTPL, are recognised initially at fair value plus transaction cost that are attributable to the acquisition of the financial liability.

(b) Classification and subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

- **Financial liabilities at FVTPL**

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and charges therein, including any interest expenses, are recognised in statement of profit and loss.

- **Financial liabilities at amortised cost**

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortised cost using the EIR method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortisation done using the EIR method is included as finance cost in statement of profit and loss

(c) De-recognition

A financial liability is derecognised when the obligation under liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised of in the statement of profit and loss.

2.7. Property, plant and equipment (PPE) & Depreciation

PPE are stated at cost less accumulated depreciation thereon. The cost of PPE comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which asset is acquired/ put to use. In respect of assets sold, pro-rata depreciation is provided up to the date on which the asset is sold. Gains / Losses arising from sale of asset are measured at the difference between the net disposal value and the carrying amount of the assets and are recognised in the statement of profit and loss when the asset is sold. On all assets, except the cost of leasehold improvements which are amortized over the period of the lease, depreciation has been provided using the useful life as specified in Schedule II to the Act by written down value method:

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. PPE are eliminated from the financial statements, either on disposal or when retired from active use. Gains or losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the statement of profit and loss.

2.8. Intangible assets and amortization

Expenses incurred on intangible assets having enduring benefits are capitalized and amortized on straight line method (SLM) basis over a period of three years.

2.9. Taxation

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

2.9.1. Current tax

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on net basis, or to realise the assets and settle the liability simultaneously.

2.9.2. Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets

and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.10. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss. The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.11. Employee benefits

2.11.1. Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme is considered as defined contribution plans and is charged to the statement of Profit and Loss in the period in which they occur. The Company have no other obligation when the contribution has been paid.

2.11.2. Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of Profit and Loss. Remeasurements of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

2.11.3. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

2.11.4. Other Long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The defined benefit liability is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of Profit and Loss. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognised immediately in the statement of profit and loss account.

2.11.5. Share-based payment arrangements

The Stock options granted to employees pursuant to the Company's stock options schemes, are measured at the fair value of the options at the grant date using Black-Scholes Model. The fair value of the options determined at grant date is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity.

2.12. Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to

settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

2.13. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

2.14. Impairment of non - financial assets

The Company assesses at each balance sheet date whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the non-financial asset. If such recoverable amount of the non-financial asset or the recoverable amount of the cash generating unit which the non-financial asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the non-financial asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.15. Assets held for sale

Assets possessed against the settlement of loans are carried in the balance sheet at a value of outstanding principal loan amount or fair value of asset whichever is lower. In case the fair value of the asset acquired is lower than the outstanding principal loan amount; then the shortfall is to be provided for in the books of account in such financial year.

These assets are classified as 'Assets held for sale' under 'Non-financial assets' till the asset acquired is finally disposed. Further, if on disposal of the assets so acquired, the sale proceed is higher than the receivable amount (including outstanding loan, outstanding overdue interest, other charges and interest), then the Company will refund the excess amount to the borrowers.

2.16. Write offs

Financial Assets are written off when the chances of recovery are bleak despite effective recovery initiatives.

When any amount is recovered from borrowers after write off, the amount recovered will be credited to Statement of profit and loss account.

2.17. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short –term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.18. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19. Finance Costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees, commissions and other expenses that are directly related to the issue of a financial liability

2.20. Other Income and expenses

All Other income and expense are recognized in the period in which they occur.

2.21. Fair Value Measurement

On initial recognition, all the Financial Instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of Financial Instrument at fair value on each Balance Sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.22. Statement of Cash Flows

Statement of Cash Flows Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is prepared using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing activities.

2.23. Foreign Currency Transactions

2.23.1. Functional and Presentational Currency

The financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.23.2. Transactions and Balances

a) Initial Recognition

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

b) Conversion

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.24. Derivative Financial Instruments

The company enters into derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company has designated the derivative financial instruments as cash flow hedges of recognized liabilities and unrecognized firm commitments.

2.24.1. Hedge Accounting

In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective if the hedging instrument is offsetting changes in fair value or cashflows of the hedged item attributable to the hedged risk. The assessment of hedge effectiveness is carried out at inception and on an ongoing basis to determine that the hedging relationship has been effective throughout the financial reporting periods for which they were designated.

2.24.2. Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in Other Comprehensive Income (OCI) within equity (cash flow hedging reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss. When the forecast transaction subsequently results in the

recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

When a hedging instrument is expired, sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognized in OCI at that time remains in OCI and is recognized when the hedged forecast transaction is ultimately recognized in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

2.25. Recent Accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3 Cash and cash equivalents

Particulars	As at	As at
	31 March, 2025	31 March, 2024
Cash on hand	83.18	56.60
Balances with banks	5,638.68	2,674.74
Fixed deposits with banks having original maturity of less than 3 months	9,561.00	15,534.78
Total	15,282.86	18,266.12

4 Bank balance other than cash and cash equivalents

Particulars	As at	As at
	31 March, 2025	31 March, 2024
Fixed deposit with banks	1,558.27	1,472.08
Total	1,558.27	1,472.08

- Out of the above bank deposits, Rs. 1,558.27 lakhs (31 March 2024 : Rs. 1,469.77 lakhs) is lien marked with certain banks as security for term loan borrowings.

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5 Loans

Particulars	As at 31 March, 2025	As at 31 March, 2024
At amortised cost		
Term loans :		
Housing loans and other loans	2,41,586.20	2,02,340.02
Less : Impairment loss allowances	(1,791.30)	(1,417.61)
Net loans	2,39,794.90	2,00,922.41
Secured by tangible assets (immovable property)	2,41,586.20	2,02,340.02
Less : Impairment loss allowances	(1,791.30)	(1,417.61)
Net loans	2,39,794.90	2,00,922.41
Loans in India:		
(i) Public sector	-	-
(ii) Others (retail loans)	2,41,586.20	2,02,340.02
Total loans	2,41,586.20	2,02,340.02
Less : Impairment loss allowances	(1,791.30)	(1,417.61)
Net loans	2,39,794.90	2,00,922.41

Particulars	Principal	Interest Outstanding	Effective Interest rate adjustment	Total
Balance as at 31 March 2025	2,44,107.39	458.62	(2,979.81)	2,41,586.20
Balance as at 31 March 2024	2,04,386.73	396.94	(2,443.65)	2,02,340.02

Reconciliation of provision for Expected Credit Loss is as below:

Particulars	Stage I	Stage II	Stage III	Total
Balance as at 1 April 2023	231.07	232.75	858.93	1,322.75
Addition/(deletion) during the year	(56.94)	45.88	105.92	94.86
Balance as at 31 March 2024	174.13	278.63	964.85	1,417.61
Addition/(deletion) during the year	24.95	(68.55)	417.29	373.69
Balance as at 31 March 2024	199.09	210.08	1,382.13	1,791.30

Company has classified the stages as below:

Stage I : Credit risk has not increased significantly if principal or interest is due for 30 days or less.
Stage II : Credit risk has increased significantly if principal or interest is due from 31 days to 90 days.
Stage III : Credit impaired if principal or interest is due for more than 90 days.

6 Investment

Particulars	As at 31 March, 2025	As at 31 March, 2024
At fair value through profit or loss		
Investments in mutual funds	4,006.62	1,702.06
Investments in Security Receipts [213,535 (266,207) Nos. of SRs issued by Trust having a face value of Rs 1,000 each]	1,838.16	2,135.35
Investments in Equity Shares [250 (Nil) Nos. of Perpetual Non Cumulative Preference Share of SVC Co-operative Bank Ltd. having a face value of Rs 10 each]	0.03	-
At fair value through other comprehensive income		
Investments in Corporate*	4.50	4.50
Total	5,849.31	3,841.91
Out of which:		
Investments in India	5,849.31	3,841.91
Investments outside India	-	-
Total	5,849.31	3,841.91

*Represents investments in 45,000 (31 March 2024: 45,000) equity shares of Rs. 10 each in M/s. Thinking Machine India Private Limited. (Refer Note 46)

7 Other financial assets

Particulars	As at 31 March, 2025	As at 31 March, 2024
Security deposit (Refer Note 7.1)	219.93	152.56
EIS receivable (net)	2,102.74	342.64
Other financial assets	408.65	108.62
Total	2,731.32	603.82

7.1 Security Deposits Include Rs 37.28 lakhs (Previous year Rs 37.42 lakhs) given to related parties. (Refer Note 46)

Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

8 Deferred tax assets (net)

(a) Movement in deferred tax assets / (liabilities)

As at 31 March, 2025						
Particulars	Net balance 1 April 2024	Recognised in profit and loss	Recognised in OCI	Net balance 31 March, 2025	Deferred tax assets	Deferred tax liabilities
Deferred tax assets / (liabilities)						
Provision for employee benefits	162.01	43.70	9.56	215.28	215.28	-
Property, plant and equipment and intangible assets	68.79	29.49	-	98.28	98.28	-
Impairment allowances on financial assets	361.15	94.53	-	455.68	455.68	-
Financial assets measured at amortised cost	631.80	105.58	-	737.38	737.38	-
Other financial assets	53.50	3.77	-	57.27	57.27	-
Special reserve	(728.35)	(65.12)	-	(793.47)	-	(793.47)
EIS receivables	(87.68)	(442.98)	-	(530.66)	-	(530.66)
Fair value of future lease obligations in accordance with Ind AS 116	11.40	3.86	-	15.26	15.26	-
Cash flow hedge reserve	5.56	(7.46)	1.90	-	-	-
Other temporary differences	12.19	(29.32)	-	(17.13)	-	(17.13)
Net deferred tax assets/(liabilities)	490.37	(263.95)	11.46	237.89	1,579.15	(1,341.26)

(b) Movement in deferred tax assets / (liabilities)

As at 31 March, 2024						
Particulars	Net balance 1 April 2023	Recognised in profit and loss	Recognised in OCI	Net balance 31 March, 2024	Deferred tax assets	Deferred tax liabilities
Deferred tax assets / (liabilities)						
Provision for employee benefits	112.38	39.61	10.02	162.01	162.01	-
Property, plant and equipment and intangible assets	49.77	19.02	-	68.79	68.79	-
Impairment allowances on financial assets	337.27	23.88	-	361.15	361.15	-
Financial assets measured at amortised cost	572.71	59.09	-	631.80	631.80	-
Other financial assets	139.00	(85.50)	-	53.50	53.50	-
Special reserve	(582.63)	(145.72)	-	(728.35)	-	(728.35)
EIS receivables	(121.89)	34.21	-	(87.68)	-	(87.68)
Fair value of future lease obligations in accordance with Ind AS 116	9.37	2.03	-	11.40	11.40	-
Cash flow hedge reserve	10.11	(1.89)	(2.66)	5.56	5.56	-
Other temporary differences	29.35	(17.16)	-	12.19	12.19	-
Net deferred tax assets / (liabilities)	555.44	(72.43)	7.36	490.37	1,306.40	(816.03)

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Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

9 Property, plant and equipment (at cost)

Particulars	Furniture and Fixtures	Office Equipments	Computers	Leasehold Improvements	Total
At 31 March 2023	192.61	160.83	192.96	251.58	797.98
Additions during the year	126.04	65.61	169.06	95.55	456.27
Disposals during the year	(1.10)	(2.52)	(31.73)	-	(35.35)
At 31 March 2024	317.55	223.93	330.29	347.13	1,218.90
Additions during the year	258.69	120.37	144.40	228.10	751.56
Disposals during the year	(4.69)	(2.97)	(10.69)	(0.77)	(19.12)
At 31 March 2025	571.55	341.33	464.00	574.46	1,951.34
Accumulated Depreciation:					
At 31 March 2023	82.24	108.19	136.19	131.94	458.56
Depreciation charge for the year	44.55	36.44	82.19	47.73	210.91
Reversal on disposal of assets	(0.98)	(2.39)	(30.15)	-	(33.51)
At 31 March 2024	125.81	142.24	188.23	179.67	635.95
Depreciation charge for the year	89.40	61.68	132.88	74.69	358.65
Reversal on disposal of assets	(4.11)	(2.78)	(10.16)	(0.73)	(17.78)
At 31 March 2025	211.10	201.14	310.95	253.63	976.82
Net book value:					
At 31 March 2024	191.73	81.70	142.06	167.46	582.95
At 31 March 2025	360.45	140.19	153.05	320.83	974.52

Note : The Company has elected to avail exemption under Ind AS 101 to use previous GAAP carrying value as deemed cost at the date of transition.

The company does not have any Benami property where any proceeding has been initiated or pending against the company for holding any Benami property

The Company has not revalued any of its property, plant and equipment during the year ended 31 March, 2025 and 31 March, 2024.

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10 Intangible assets under development and other intangible assets (at cost)

Particulars	Intangible assets under development	Other intangible assets (Computer software)
At 31 March 2023	-	123.18
Additions during the year	-	-
Capitalised during the year	-	5.99
Disposals during the year	-	-
At 31 March 2024	-	129.17
Additions during the year	68.62	-
Capitalised during the year	-	63.22
Disposals during the year	-	-
At 31 March 2025	68.62	192.39
Amortisation:		
At 31 March 2023	-	82.27
Depreciation charge for the year	-	35.23
Reversal on disposal of assets	-	-
At 31 March 2024	-	117.50
Depreciation charge for the year	-	13.41
Reversal on disposal of assets	-	-
At 31 March 2025	-	130.91
Net book value:		
At 31 March 2024	-	11.67
At 31 March 2025	68.62	61.48

11 Other non-financial assets

Particulars	As at 31 March, 2025	As at 31 March, 2024
Prepaid expenses	113.80	155.61
Balances with Government Authorities	381.94	323.74
Advance to creditors (Refer Note 11.1)	403.83	64.80
Other receivables	98.93	12.55
Total	998.50	556.70

11.1 Includes Rs. 0.30 lakhs (Previous Year Rs 0.29 lakhs) due from related parties (Refer note 46)

Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025
(All amounts are in INR Lakhs, unless otherwise stated)

12 Derivative Financial Instruments

The Company undertakes derivative transactions for hedging exposures relating to foreign currency borrowings. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	(Rs in lakhs)			
	As at		As at	
	31 March, 2025		31 March, 2024	
	Notional Amounts	Fair Value Liabilities	Notional Amounts	Fair Value Liabilities
(i)Currency derivatives:				
-Forward Contracts	28,556.78	382.91	16,860.66	8.47
Total	28,556.78	382.91	16,860.66	8.47
Included in above are derivatives held for hedging and risk management purposes as follows:				
(i)Fair value hedging:	-	-	-	-
(ii)Cash flow hedging:				
- Currency derivatives	28,556.78	382.91	16,860.66	8.47
(iii)Net Investment Hedging	-	-	-	-
(iv)Undesignated Derivatives	-	-	-	-
Total Derivative Financial Instruments				
(i) + (ii) + (iii) + (iv)	28,556.78	382.91	16,860.66	8.47

12.1 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is foreign currency risk.

12.2 Derivatives designated as hedging instruments

Company has designated forward contracts as a hedging instrument to mitigate foreign exchange risk from foreign currency exposure on its borrowings.

12.3 Derivatives not designated as hedging instruments

There are no derivatives not designated as hedging instruments.

12.4 The management of foreign currency risk is detailed in Note 41B.

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13 Payables

Particulars	As at 31 March, 2025	As at 31 March, 2024
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	16.41	1.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	592.52	419.70
Total trade payables	608.93	421.53

*Trade payables Includes Rs 32.20 lakhs (Previous year Rs 38.49 lakhs (net)) due to related parties. (Refer note 46)

Trade payable ageing schedule as on 31 March 2025

Particulars	MSME	Others
Undisputed outstanding for following periods		
Unbilled	-	399.24
Not Due	-	-
Less than 1 year	16.41	192.17
1-2 years	-	3.48
2- 3 years	-	2.27
More than 3 years	-	11.78
Total trade payables	16.41	608.93

Particulars	MSME	Others
Disputed outstanding for following periods		
Less than 1 year	-	-
1-2 years	-	-
2- 3 years	-	-
More than 3 years	-	-
Total trade payables	-	-

Trade payable ageing schedule as on 31 March 2024

Particulars	MSME	Others
Undisputed outstanding for following periods		
Unbilled	-	276.34
Not Due	-	-
Less than 1 year	1.83	128.66
1-2 years	-	2.30
2- 3 years	-	3.82
More than 3 years	-	8.58
Total trade payables	1.83	419.70

Particulars	MSME	Others
Disputed outstanding for following periods		
Less than 1 year	-	-
1-2 years	-	-
2- 3 years	-	-
More than 3 years	-	-
Total trade payables	-	-

Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2025	As at 31 March, 2024
Other payables:		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	519.52
Total other payables	-	519.52

13.A Disclosure under Micro, Small, and Medium Enterprises Development Act, 2006 :

Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent identified and information available with the Company. This has been relied upon by the auditors.

Particulars	As at 31 March, 2025	As at 31 March, 2024
a) Principal amount remaining unpaid	16.41	1.83
b) Interest due thereon remaining unpaid	-	-
c) Interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e) Interest remaining accrued and unpaid at the end of the year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

14 Debt securities

Particulars	As at 31 March, 2025	As at 31 March, 2024
At amortised cost		
Commercial Paper (Unsecured)	5,148.02	-
Total Debt securities	5,148.02	-
Out of which:		
Debt securities in India	5,148.02	-
Debt securities outside India	-	-
Total	5,148.02	-

During the year, the Company has issued Commercial Paper amounting to Rs. 5,500 Lakhs which were listed on BSE Ltd., in compliance with the Securities and Exchange Board of India (SEBI) (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time and operational circular no. SEBI/HO/DDHS/P/CIR/2021/613 issued by SEBI on 10 August 2021, as amended from time to time.

15 Borrowings (other than debt securities)

Particulars	As at 31 March, 2025	As at 31 March, 2024
At amortised cost		
Term loans (secured)		
From banks	1,57,669.41	1,39,027.17
From National Housing Bank	26,148.67	27,193.20
From other parties	27,872.84	15,142.37
Term loans (unsecured)		
From other parties	-	697.95
Total	2,11,690.92	1,82,060.69
Borrowings in India	2,11,690.92	1,82,060.69
Borrowings outside India	-	-

The Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained except for an amount of Rs 12,500 lakh disbursed towards the end of the financial year which have been parked in fixed deposits & short term investments pending utilization.

The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

There has not been any default in repayment of borrowings during the year ended 31 March, 2025, (no default during the year ended 31 March, 2024)

a) Security details :

Secured loans from banks

The loans are secured by way of hypothecation of loan receivables of the Company equivalent to security cover stipulated by respective banks. The loans aggregating to Rs. 1,16,323.39 lakhs (31 March 2024 : Rs. 125,578.36 lakhs) are guaranteed by promoter directors (Mr. Thomas Muthoot, Mr. Thomas George Muthoot and Mr. Thomas John Muthoot) of the Company.

Secured loans from National Housing Bank

The refinance facility from NHB is secured by way of hypothecation of loan receivables of the Company equivalent to stipulated security cover. The loans aggregating to Rs. 17,736.42 lakhs (31 March 2024: Rs. 22,398.2 lakhs) are further guaranteed by promoter directors (Mr. Thomas Muthoot, Mr. Thomas George Muthoot and Mr. Thomas John Muthoot) of the Company and comfort letter from holding Company.

Secured loans from other parties

The loans are secured by way of hypothecation of loan receivables of the Company equivalent to security cover stipulated by respective lender. The loans aggregating to Rs 7,541.58 lakhs (31 March 2024: Rs 3,791.17 lakhs) are further guaranteed by promoter directors (Mr. Thomas Muthoot, Mr. Thomas George Muthoot and Mr. Thomas John Muthoot) of the Company.

Unsecured loans from other parties

The loans aggregating to Nil (31 March 2024: Rs. 700 lakhs) are guaranteed by promoter directors (Mr. Thomas Muthoot, Mr. Thomas George Muthoot and Mr. Thomas John Muthoot) of the Company and comfort letter from holding Company.

Loan assets hypothecated as security for borrowings

Particulars	As at	As at
	31 March 2025	31 March 2024
Loan assets hypothecated as security for borrowings	2,26,514.03	1,94,826.17

15 Borrowings (other than debt securities) (at amortised cost) (Contd.)

b) Terms of repayment
Secured loans from banks

Name of party	As at 31 March, 2025	As at 31 March, 2024	Terms of repayment
Axis Bank	4,473.68	1,635.12	Repayable in 17 quarterly instalments after 12 months from the date of first disbursement
Bank of Baroda (Vijaya Bank)	476.55	754.33	Repayable in 36 quarterly instalments after 12 months from the disbursement
Bank of Baroda	7,500.00	8,750.00	Repayable in 32 quarterly instalments after 3 months from the disbursement
	3,467.91	4,025.34	Repayable in 36 quarterly instalments after 12 months from the date of first disbursement
Bank of India	4,740.20	-	Repayable in 38 quarterly instalments after 3 months from the date of first disbursement
	4,998.62	-	Repayable in 23 quarterly instalments after 6 months from the date of first disbursement
Canara Bank	7,500.00	9,166.61	Repayable in 72 equal monthly instalments after 12 months from the disbursement
	6,427.98	7,500.00	Repayable in 14 Half Yearly instalments after the date of first disbursement
	-	499.78	Repayable in 36 monthly instalments after a month from the disbursement
Federal Bank Limited	1,749.59	2,249.86	Repayable in 20 quarterly instalments after the date of first disbursement
	1,750.00	2,250.00	Repayable in 20 quarterly instalments after the date of first disbursement
	4,736.84	-	Repayable in 19 quarterly instalments after 3 months from the disbursement
IDBI Bank Limited	362.16	465.58	Repayable in 58 quarterly instalments after 6 months from the disbursement
	2,741.38	4,120.70	Repayable in 29 quarterly instalments after a holiday period of 3 quarters from the date of first disbursement
Indian Bank	3,388.89	4,388.89	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
	3,906.25	-	Repayable in 72 monthly instalments after a holiday period of 12 months from the date of first disbursement
Karur Vysya Bank	690.70	968.69	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
	384.56	939.62	Repayable in 36 equal quarterly instalments after 6 months from the disbursement
	3,555.73	4,302.45	Repayable in 40 equal quarterly instalments after 15 months from the disbursement
Punjab National Bank	751.48	1,028.56	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
	7,781.88	8,893.63	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
	4,581.69	4,999.05	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
	4,582.85	4,999.04	Repayable in 36 equal quarterly instalments after 12 months from the disbursement
	-	3,773.85	Repayable in 35 quarterly instalments after 12 months from the disbursement
	-	12,602.00	Repayable in 36 quarterly instalments after 12 months from the disbursement
	-	15,870.65	Repayable in 36 quarterly instalments after 12 months from the disbursement
	4,900.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
State Bank of India	4,900.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
	4,900.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
	4,900.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
	4,900.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
	2,150.00	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
	4,549.88	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
	1,495.73	-	Repayable in 36 quarterly instalments after 12 months from the disbursement
	-	186.43	Repayable in 26 equal quarterly instalments after 6 months from the disbursement
Union Bank of India	-	2,497.85	Repayable in 24 equal quarterly instalments after 15 months from the disbursement
	9,166.46	9,999.99	Repayable in 36 quarterly instalments after 6 months from the disbursement
	1,664.39	1,944.39	Repayable in 36 equal quarterly instalments after 15 months from disbursement
Yes Bank Limited	1,744.70	2,075.98	Repayable in 163 monthly instalments after 6 months from the disbursement

15 Borrowings (other than debt securities) (at amortised cost) (Contd.)

b) Terms of repayment

	3,750.00	4,749.67	Repayable in 20 quarterly instalments after the date of first disbursement
Karnataka Bank	5,000.00	-	Repayable in 20 quarterly instalments after the date of first disbursement
DCB Bank	1,613.16	1,999.90	Repayable in 57 monthly instalments after 3 months from the disbursement
Bank of Maharashtra	13,845.01	12,499.99	Repayable in 26 equal quarterly instalments after 6 months from disbursement
Catholic Syrian Bank	4,999.94	-	Repayable in 22 equal quarterly instalments after 6 months from disbursement
SVC Co-operative Bank Ltd	4,999.98	-	Repayable in 36 equal quarterly instalments after 12 months from disbursement
UCO BANK LTD	2,500.00	-	Repayable in 27 equal quarterly instalments after 3 months from disbursement
Sub total	1,57,628.20	1,40,137.98	
Adjustments on account of effective rate of interest	(195.68)	(1,132.55)	
Interest accrued on borrowings	236.89	21.81	
Total	1,57,669.41	1,39,027.24	

The rate of interest on borrowings varies from 9.00% to 11.55%. (31 March 2024 : 8.30% to 11.30%)

15 Borrowings (other than debt securities) (at amortised cost) (Contd.)

b) Terms of repayment

Secured loans from National Housing Bank

Name of party	As at 31 March 2025	As at 31 March 2024	Terms of repayment
	36.81	102.77	Repayable in 47 quarterly instalments after quarter succeeding the disbursement
	307.34	375.34	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
	-	15.59	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	383.62	504.03	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
	754.83	902.44	Repayable in 59 quarterly instalments after quarter succeeding the disbursement
	54.80	208.40	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	139.83	214.16	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
	433.49	561.10	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
	1,124.73	1,379.70	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
	488.81	614.49	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
	226.11	311.36	Repayable in 39 quarterly instalments after quarter succeeding the disbursement
	41.29	56.13	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
National Housing Bank	269.62	388.14	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	1,702.68	2,214.68	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	1,473.64	1,945.64	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	938.69	1,164.01	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	491.27	618.87	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	666.85	820.49	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	1,066.23	1,312.63	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	2,380.40	2,949.25	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	4,630.28	5,591.08	Repayable in 27 quarterly instalments after quarter succeeding the disbursement
	3,104.44	4,060.00	Repayable in 40 quarterly instalments after quarter succeeding the disbursement
	536.67	735.00	Repayable in 40 quarterly instalments after quarter succeeding the disbursement
	4,144.06	-	Repayable in 40 quarterly instalments after quarter succeeding the disbursement
	62.60	-	Repayable in 40 quarterly instalments after quarter succeeding the disbursement
	564.48	-	Repayable in 40 quarterly instalments after quarter succeeding the disbursement
Total	26,148.67	27,193.20	

The rate of interest on borrowings varies from 4.61% to 8.60%. (31 March 2024 : 4.61% to 8.50%)

Secured loans from other parties

Name of party	As at 31 March 2025	As at 31 March 2024	Terms of repayment
L.I.C Housing Finance Limited	4,421.22	5,738.82	Repayable in 108 monthly instalments after 12 months from the disbursement
	14,219.84	1,000.00	Repayable in 96 monthly instalments after the date of first disbursement on 1st day of every calendar month
Poonawalla FinCorp	3,883.11	4,733.51	Repayable in 60 equated monthly instalments after the date of first disbursement on 5th day of every calendar month
Nabsamruddhi Finance Limited	3,120.36	3,791.17	Repayable in 60 equated monthly instalments after the date of first disbursement
Bajaj Finance Limited	2,375.00	-	Repayable in 60 equated monthly instalments after the date of first disbursement on 5th day of every calendar month
Sub total	28,019.53	15,263.49	
Adjustments on account of effective rate of interest	(190.41)	(54.72)	
Interest accrued on borrowings	43.72	27.81	
Total	27,872.84	15,236.59	

The rate of interest on borrowings varies from 9.15% to 11.55%. (31 March 2024 : 8.30% to 11.30%)

15 Borrowings (other than debt securities) (at amortised cost) (Contd.)

b) Terms of repayment
Unsecured loans from other parties

Name of party	As at 31 March 2025	As at 31 March 2024	Terms of repayment
Northern Arc Capital Limited	-	100.00	Repayable in 10 quarterly instalments
Northern Arc Capital Limited	-	600.00	Repayable in 10 quarterly instalments
Sub total	-	700.00	
Adjustments on account of effective rate of interest	-	(6.25)	
Interest accrued on borrowings	-	4.20	
Total	-	697.95	

The rate of interest on borrowings varies from 13.15% to 13.40% for year ended 31 March 2024

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16 Subordinated liabilities

Particulars	As at 31 March, 2025	As at 31 March, 2024
At amortised cost		
Subordinated debt	9,579.13	-
Total Debt securities	9,579.13	-
Out of which:		
Subordinated debt in India	9,579.13	-
Subordinated debt outside India	-	-
Total	9,579.13	-

During the year the Company has issued Rated, Unsecured, Subordinated fully paid up redeemable, taxable Non-Convertible Debentures amounting to Rs. 10,000 Lakhs which were listed on BSE Ltd., in compliance with the Securities and Exchange Board of India (SEBI) (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time and operational circular no. SEBI/HO/DDHS/Pod1/P/CIR/2024/54 dated 22 May 2024 issued by SEBI, as amended from time to time.

Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

17 Other financial liabilities

Particulars	As at 31 March, 2025	As at 31 March, 2024
Employee benefit expenses payable	484.02	405.45
Security deposit	3.84	3.84
Book overdraft (Refer Note 17.1)	-	10,705.10
Payable under direct assignment	336.94	95.02
Payable towards Asset Reconstruction Company	53.98	51.21
Others	147.35	171.99
Total	1,026.13	11,432.61

17.1 The Book overdraft represents outstanding cheques in excess of balance in current accounts with banks

18 Provisions

Particulars	As at 31 March, 2025	As at 31 March, 2024
Employee benefits (Refer note 37)		
Gratuity	290.07	200.37
Compensated absences	165.29	123.37
Unspent Expenditure on Corporate Social Responsibility (Refer note below)	-	25.04
Impairment allowance on loan commitments	19.26	17.34
Total	474.62	366.12

The movement in Provisions for Unspent Expenditure for Corporate Social Responsibility.

Particulars	Amount
As at 1 April 2023	25.04
Additions	-
Reversed	-
Utilised	-
As at 31 March 2024	25.04
Additions	-
Reversed	-
Utilised	25.04
As at 31 March 2025	-

19 Other non-financial liabilities

Particulars	As at 31 March, 2025	As at 31 March, 2024
Statutory dues	224.45	157.90
Other non-financial liabilities	4.36	4.45
Total	228.81	162.35

20 Equity share capital

(a) Authorised share capital :

Particulars	No. of Shares	Rs. in lakhs
At 1 April, 2023	10,00,00,000	10,000.00
Add: Increased during the year	-	-
At 31 March, 2024	10,00,00,000	10,000.00
Add: Increased during the year	-	-
At 31 March, 2025	10,00,00,000	10,000.00

(b) Issued, subscribed and fully paid up capital :

Particulars	No. of Shares	Rs. in lakhs
At 1 April, 2023	7,35,81,066	7,358.11
Add: Issued during the year	42,37,290	423.73
At 31 March, 2024	7,78,18,356	7,781.84
Add: Issued during the year	37,87,875	378.78
At 31 March, 2025	8,16,06,231	8,160.62

Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

(c) Terms/ rights attached to equity shares :

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. All shares rank pari passu with regard to dividend and repayment of capital. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Share Issue:

Pursuant to the resolution passed in meeting held on 14 June, 2024, the board of directors have approved allotment of 37,87,875 equity shares of face value Rs 10/- each at a premium of Rs 56/- each on preferential issue basis to Muthoot Fincorp Limited. Consequently, the issued, subscribed and paid-up share capital has increased to Rs. 8,160.62 Lakhs comprising of 8,16,06,231 equity shares of Rs. 10/- each.

(e) Shares held by holding company :

Particulars	No. of Shares	Rs. in lakhs
At 1 April, 2023	5,93,48,840	5,934.88
Add: Issued during the year	42,37,290	423.73
At 31 March, 2024	6,35,86,130	6,358.61
Add: Issued during the year	37,87,875	378.79
At 31 March, 2025	6,73,74,005	6,737.40

(f) Shareholder's having more than 5% equity shareholding in the Company

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	No. of shares	% holding	No. of shares	% holding
Thomas John Muthoot	42,97,885	5.27	42,97,885	5.52
Thomas George Muthoot	42,97,890	5.27	42,97,890	5.52
Thomas Muthoot	42,97,890	5.27	42,97,890	5.52
Muthoot Fincorp Limited	6,73,74,005	82.56	6,35,86,130	81.71
Total	8,02,67,670	98.37	7,64,79,795	98.27

(g) Shares held by promoters at the end of the financial year

Particulars	No of shares held		% change during the year
	As at 31 March, 2025	As at 31 March, 2024	
Thomas John Muthoot	42,97,885	42,97,885	(0.26)
Thomas George Muthoot	42,97,890	42,97,890	(0.26)
Thomas Muthoot	42,97,890	42,97,890	(0.26)
Muthoot Fincorp Limited	6,73,74,005	6,35,86,130	0.85
Total	8,02,67,670	7,64,79,795	0.10

21 Other equity:

Particulars	As at 31 March, 2025	As at 31 March, 2024
Securities premium	13,492.11	11,370.90
Statutory reserve	4,168.56	3,318.56
Treasury Shares	(571.37)	(571.37)
Share options outstanding account	258.46	220.56
General reserve (Adjustment on consolidation of ESOP Trust)	(0.61)	(0.51)
Retained earnings	13,629.52	10,238.60
Other comprehensive income	(120.86)	(86.77)
Total	30,855.81	24,489.97

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Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

(a) Movement in reserves:

Particulars	As at 31 March, 2025	As at 31 March, 2024
Securities premium		
Opening balance	11,370.90	9,294.63
Add : Issuance of share capital during the year	2,121.21	2,076.27
Closing balance	13,492.11	11,370.90
Statutory reserve		
Opening balance	3,318.56	2,618.56
Add : Transfer from retained earnings (Refer note 50)	850.00	700.00
Closing balance	4,168.56	3,318.56
Treasury Shares		
Opening balance	(571.37)	(571.37)
Add : Addition during the year	-	-
Closing balance	(571.37)	(571.37)
Share options outstanding account		
Opening balance	220.56	187.12
Add : Addition during the year	37.90	33.44
Closing balance	258.46	220.56
General reserve		
Opening balance	(0.51)	(0.41)
Add : Addition during the year (Adjustment on consolidation of ESOP Trust)	(0.10)	(0.10)
Closing balance	(0.61)	(0.51)
Retained earnings		
Opening balance	10,238.60	7,465.99
Add : Net profit for the year	4,240.92	3,472.61
Less : Transfer to statutory reserve	(850.00)	(700.00)
Closing balance	13,629.52	10,238.60
Other comprehensive income		
Opening balance	(86.77)	(64.88)
Add : income for the year	(34.09)	(21.89)
Closing balance	(120.86)	(86.77)
Closing balance of other equity	30,855.81	24,489.97

(b) Nature and purpose of reserves

Securities premium

Securities premium represents premium received on issue of shares. The amount is utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Statutory reserve is created in terms of Section 29C of the National Housing Bank Act, 1987 read with Section 36(1)(viii) of the Income Tax Act, 1961.

Treasury Shares

Treasury Shares represents Company's own equity shares held by Employee welfare trust.

Share Options Outstanding Account

The account is used to recognise the grant date value of options issued to employees under employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company.

Effective portion of cash flow hedge

Effective portion of cash flow hedges represents the cumulative gains/(losses) arising on changes in fair value of the derivative instruments designated as cash flow hedges through OCI. The amount recognized as effective portion of Cash flow hedge is reclassified to profit or loss when the hedged item affects profit or loss.

Change in value of Forward Contract

The company designates the spot element of foreign currency forward contracts as hedging instruments. The changes in the fair value of forward element of the forward contract on reporting date is deferred and retained in the cost of hedging reserve.

22 Interest income

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
On financial assets measured at amortised cost		
Interest on loans	35,285.81	28,025.59
Interest on security deposit	20.38	12.53
Interest on deposits with bank	493.15	340.55
Other Interest		
Interest on income tax refund	7.06	-
Total	35,806.40	28,378.67

23 Net gain on fair value changes

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
On financial assets at fair value through profit or loss		
- Investments	462.36	373.34
Total net gain on fair value changes	462.36	373.34
Fair value changes		
- Realised on investment	455.74	371.28
- Unrealised on investment	6.62	2.06
-Unrealised on excess interest spread	-	-
Total	462.36	373.34

24 Net gain on derecognition of financial instruments under amortised cost category

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Income on derecognised (assigned) loans	1,976.98	-
Total	1,976.98	-

25 Fees and Commission income

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Income from marketing and other activities (Refer note 45)	1,162.50	0.32
Total	1,162.50	0.32

26 Other financial services

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Other financial services	728.60	520.49
Total	728.60	520.49

27 Finance costs

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
On financial liabilities measured at amortised cost		
Interest on borrowings	19,515.00	13,792.31
Interest on debt securities	165.18	-
Interest on Subordinated liabilities	147.56	-
Interest on lease liabilities	70.61	45.16
Other interest expenses	0.11	2.42
Total	19,898.46	13,839.89

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28 Impairment on financial instruments

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
On financial assets measured at amortised cost		
Impairment loss allowances on loans (Refer 28.1)	373.98	91.05
Impairment on loan commitments	1.92	-
Write off (net of recoveries) (Refer Note 28.1)	58.43	37.34
Total	434.33	128.39

28.1 The Company has made provision for Expected Credit Loss as per Ind AS 109 "Financial Instruments". Further, the Company has also prudently written off certain non-performing advances amounting to Rs. 58.43 lakhs (31 March 2024: Rs. 37.34 lakhs).

29 Employee benefits expenses

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Salaries and wages	9,436.27	6,819.50
Contribution to provident and other funds (refer note 37)	531.32	383.48
Gratuity and compensated absences (refer note 37)	152.47	98.68
Share based payment to employees	37.90	33.44
Staff welfare expenses	319.32	237.09
Total	10,477.28	7,572.19

The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The impact of changes if any arising on enactment of the Code will be assessed by the company after the effective date of the same and the rules thereunder are notified.

30 Depreciation, amortisation and impairment

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Depreciation on property, plant and equipment	358.65	210.91
Depreciation on right of use assets	326.70	163.27
Amortisation of intangible assets	13.41	35.23
Total	698.76	409.41

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31 Other expenses

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Rent, rates and taxes	376.85	322.61
Postage and telegram	72.50	55.53
Electricity and water charges	90.19	68.59
Travelling and conveyance expenses	795.36	473.23
Communication expenses	50.09	40.56
Printing and stationery	106.06	84.56
Bank charges	13.36	117.39
Advertisement and publicity	23.62	67.34
Office expenses	146.87	132.03
Software licence and subscription charges	430.13	476.44
Legal and Professional charges	627.18	405.40
Insurance	35.50	20.07
CSR expenses (Refer Note 31.1)	69.64	56.33
Auditor's fees and expenses (Refer Note 31.2)	23.21	19.60
Impairment on assets acquired	77.40	295.23
Loss on sale of fixed assets	0.94	1.15
Director's sitting fees	9.27	7.85
Miscellaneous expenses	12.82	8.72
Total	2,960.99	2,652.63

31.1a) Details of CSR Expenditure:

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
a)Gross amount required to be spent by the Company during the year	69.64	56.33
b)Amount approved by the board to be spent during the year	69.64	56.33
c)Amount spent during the year on		
i) Construction/Acquisition of any Asset		
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purposes other than i) above		
- In cash	69.64	56.33
- Yet to be paid in cash	-	-

31.1b) Details of CSR Unspent Amount

Particulars	2024-25	2023-24
Opening Balance	25.04	25.04
Amount deposited in Specified Fund of Schedule VII	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	25.04	-
Closing balance (CSR Unspent Amount)	-	25.04

CSR unspent amount relates to Financial Year 2021-22 which has been transferred to separate CSR Unspent Account. Shortfall was owing to amount not transferred to ongoing project as approval for construction over the acquired property was pending from the regulatory authorities.

31.1c) Amounts Earmarked For Ongoing Projects

Particulars	2024-25		
	With Company	In Separate CSR account	Total
Opening balance	-	25.04	25.04
Amount required to be spent during the year	-	-	-
Transfer to separate CSR unspent A/c	-	-	-
Amount spent during the year	-	25.04	25.04
Closing balance	-	-	-

Particulars	2023-24		
	With Company	In Separate CSR account	Total
Opening balance	-	25.04	25.04
Amount required to be spent during the year	-	-	-
Transfer to separate CSR unspent A/c	-	-	-
Amount spent during the year	-	-	-
Closing balance	-	25.04	-

Nature of CSR activities

The Company has transferred Rs. 69.63 lakhs (31 March 2024 - Rs. 56.33 Lakhs) as CSR expenditure to Muthoot Pappachan Foundation, which in turn spent Rs 50.00 lakhs (31 March 2024 - Rs. 40.00 Lakhs) towards project named 'SMILE PLEASE' for providing free, compassionate, comprehensive care and safe surgeries to deserving kids and youngsters having congenital cleft lip or palate Rs 19.63 lakhs (31 March 2024 - Rs. 16.33 Lakhs) was spent for Support for Sports Training in Residential Football Academy in Malappuram with kids in the age group of 10 to 17 years.

Details of related party transactions in relation to CSR expenditure is given in Note 46

31.2 Details of remuneration to auditors:

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
As auditor		
Statutory audit fees	17.80	14.00
Tax audit fees	2.00	2.00
For other services		
Certification and other matters	2.00	2.00
For reimbursement of expenses		
Out of pocket expenses	1.41	1.50
Total	23.21	19.50

Above figures are exclusive of GST

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Unsecured advances

Company does not have any outstanding unsecured loans as at 31 March 2025 and 31 March 2024.
- 33

Pursuant to NHB's Circular No. 65/2014-15 dated 22 August 2014, the Company has created deferred tax liability on special reserve u/s 36(1)(viii) of the Income Tax Act 1961.

34 Lease

Lease related disclosures

The Company has leases for office premises (building, branches and related facilities). With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right of use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right of use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term.

Lease payments not included in measurement of lease liability
The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2025	31 March 2024
Short-term leases	-	-
Leases of low value assets	-	-
Variable lease payments	-	-

Total cash outflow for leases for the year ended 31 March 2025 is Rs. 378.04 lakhs and for the year ended 31 March 2024 is Rs. 200.36 lakhs.
The Company does not have any commitment for short-term leases as at 31 March 2025 and 31 March 2024.
There are no variable lease agreements.

Information about extension and termination options as on 31st March 2025

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	57	02 to 57 months	20 months	-	-	57

Information about extension and termination options as on 31st March 2024

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Office premises	34	07 to 60 months	27 months	2	-	34

The total future cash outflows as at 31 March 2025 for leases that had not yet commenced, is Nil (31 March 2024: Nil).

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Movement in right of use assets and lease liabilities during the year

Particulars	Right of use assets	Lease liabilities
Balance as at 1 April 2024	512.22	557.50
Addition during the year	646.87	646.88
Depreciation charged during the year	(326.70)	-
Reversal on pretermination of Lease	(135.09)	(139.00)
Interest on lease liabilities charged during the year	-	70.61
Actual Rent paid during the year	-	(378.04)
Balance as at 31 March 2025	697.30	757.95

Particulars	Right of use assets	Lease liabilities
Balance as at 1 April 2023	360.61	397.81
Addition during the year	314.95	314.88
Depreciation charged during the year	(163.27)	-
Interest on lease liabilities charged during the year	-	45.16
Actual Rent paid during the year	-	(200.36)
Other adjustment	-	0.01
Balance as at 31 March 2024	512.22	557.50

Maturity of Lease Liabilities

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments after the reporting period

Period	As at 31 March 2025	As at 31 March 2024
Not later than one year	457.45	253.57
Later than one year but not later than three years	335.51	336.65
Later than three years but not later than five years	55.36	46.42
Later than five years		-
Total	848.32	636.64

Amounts recognised in Statement of Profit and Loss

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest on lease liability	70.61	45.16
Depreciation on ROU asset	326.70	163.27
	397.31	208.43

Amounts recognised in Cash Flow Statement

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Total cash outflow for Right of Use assets	378.04	200.36

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35 Earnings per share

Basic and diluted Earnings Per Share(EPS) is calculated by dividing the profit attributable to equity share holders of the Company by weighted average of equity shares during the year.

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
(a) Earnings per share		
From continuing operations attributable to the equity holders of the company (in Rs.)	5.33	4.63
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company (in Rs.)	5.30	4.60
(c) Reconciliation of earnings used in calculating EPS		
Basic EPS		
Profit attributable to the equity share holders of the Company used in calculating basic earnings per share:		
From continuing operation	4,240.92	3,472.61
Diluted EPS		
Profit attributable to the equity share holders of the Company used in calculating diluted earnings per share:		
From continuing operation	4,240.92	3,472.61
(d) Weighted average numbers of shares used in denominator		
Weighted average number of equity shares (net of treasury shares) used as the denominator in calculating basic earnings per share (in numbers)	7,95,09,512	7,50,42,428
Diluted effect of outstanding stock options	4,62,658	3,92,746
Weighted average number of equity shares (net of treasury shares) used as the denominator in calculating diluted earnings per share (in numbers)	7,99,72,170	7,54,35,174

36 Reconciliation of tax charges

The tax charge shown in the Statement of Profit and Loss differs from the tax charge that would apply if all profits had been charged at India's corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2025 and 31 March 2024 are as follows:

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Accounting profit before tax	5,667.02	4,670.31
Income tax @ 25.17% (31 March 2024: 25.17%)	1,426.27	1,175.42
CSR Expense	17.53	14.18
Others	(17.70)	8.10
Income tax expenses	1,426.10	1,197.70

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (31 March, 2024 - 25.168%) payable on taxable profit under the Income Tax Act, 1961.

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Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

37 Employee benefits:

a) Defined contribution plan

The Company has recognized the following amounts in the Statement of Profit and Loss which are included under contribution to funds

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Employers contribution to Provident Fund	488.37	339.50
Employers contribution to Employee State Insurance Scheme	26.99	22.00
Employers contribution to National Pension Fund	15.96	21.98

b) Defined benefit plan

Gratuity

The Company has accounted liability in respect of gratuity obligation as on balance sheet date, as per the actuarial valuation required by IND AS 19 on 'Employee benefits'.

I. Assumptions		
Particulars	2024-25	2023-24
Discount rate	6.54%	7.14%
Salary escalation	12.00%	12.00%
Attrition rate :		
- Category 1 (Salary bucket upto Rs 2 lakhs)	For service 2 years and below 49.00% p.a. For service 3 years to 4 years 27.00% p.a. For service 5 years and above 23.00% p.a.	For service 2 years and below 49.00% p.a. For service 3 years to 4 years 27.00% p.a. For service 5 years and above 23.00% p.a.
- Category 2 (Salary bucket above Rs 2 lakhs to Rs 4 lakhs)		
- Category 3 (Salary bucket of above Rs 4 lakhs)		
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

II. Table showing change in the present value of projected benefit obligation

Particulars	2024-25	2023-24
Present value of benefit obligation at the beginning of the current year	200.37	138.56
Interest cost	14.10	9.80
Current service cost	47.13	30.65
Actual payment made	(9.52)	(18.45)
Actuarial (gain)/ losses on obligations- Due to change in demographic assumptions	-	(0.88)
Actuarial (gain) / losses on obligations- Due to change in financial assumptions	6.58	12.11
Actuarial (gain) / losses on obligations- Due to experience	31.42	28.58
Present value of benefit obligation at the end of the current year	290.07	200.37

III. Amount recognised in balance sheet

Particulars	2024-25	2023-24
Present value of benefit obligation at the end of the current year	290.07	200.37
Funded status - deficit	(290.07)	(200.37)
Net liability recognized in the balance sheet	(290.07)	(200.37)

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Muthoot Housing Finance Company Limited**Notes to financial statements for the year ended 31st March, 2025**

(All amounts are in INR Lakhs, unless otherwise stated)

IV. Net interest cost for current year

Particulars	2024-25	2023-24
Present value of benefit obligation at the beginning of the year	200.37	138.56
Net liability at the beginning	200.37	138.56
Interest cost	14.10	9.80
Net interest cost for current year	14.10	9.80

V. Expense recognised in the statement of profit and loss for current year

Particulars	2024-25	2023-24
Current service cost	47.13	30.65
Net interest cost	14.10	9.80
Expenses recognized	61.23	40.45

VI. Expenses recognized in the other comprehensive income (OCI) for current year

Particulars	2024-25	2023-24
Actuarial gain/(losses) on obligation for the year	(38.00)	(39.81)
Net expense for the year recognized in OCI	(38.00)	(39.81)

VII. Balance sheet reconciliation

Particulars	2024-25	2023-24
Opening net liability	200.37	138.56
Expenses recognized in statement of profit and loss	61.23	40.45
Expenses recognized in OCI	38.00	39.81
Benefit paid directly by the employer	(9.52)	(18.45)
Net liability recognized in the balance sheet	290.07	200.37

VIII. Other details

Particulars	2024-25	2023-24
No of active members	1,857	1,506
Per month salary for active members	283.81	213.98
Weighted average duration of the projected benefit obligation (years)	5.00	5.00
Average expected future service (years)	2.00	2.00
Projected benefit obligation	290.07	200.37
Defined Benefit Obligation (DBO) - Due but Not Paid	7.27	2.85

IX. Net interest cost for the next year

Particulars	2024-25	2023-24
Present value of benefit obligation at the end of the year	290.07	200.37
(Fair value of plan assets at the end of the year)	-	-
Net liability at the end of the period	290.07	200.37
Interest cost	18.50	14.10
(Interest income)	-	-
Net interest cost for next year	18.50	14.10

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Muthoot Housing Finance Company Limited**Notes to financial statements for the year ended 31st March, 2025**

(All amounts are in INR Lakhs, unless otherwise stated)

X. Expenses recognized in the statement of profit and loss for next year

Particulars	2024-25	2023-24
Current service cost	57.60	41.03
Net interest cost	18.50	14.10
Expenses recognized	76.10	55.13

XI. Maturity analysis of the benefit payments: From the employer

Particulars	2024-25	2023-24
Projected benefits payable in future years from the date of reporting:	-	-
First following year	52.77	34.41
Second following year	41.70	31.10
Third following year	40.06	28.67
Fourth following year	37.55	26.79
Fifth following year	34.46	24.44
Sum of following six to ten years	112.24	80.02
Sum of following eleven years and above	73.09	52.83

XII. Sensitivity Analysis

Particulars	2024-25	2023-24
Projected benefit obligation on current assumptions	290.07	200.37
Delta effect of +1% change in rate of discounting	(10.78)	(7.36)
Delta effect of -1% change in rate of discounting	11.75	8.01
Delta effect of +1% change in rate of salary increase	9.95	6.89
Delta effect of -1% change in rate of salary increase	(9.50)	(6.55)
Delta effect of +1% change in rate of employee turnover	(4.21)	(2.70)
Delta effect of -1% change in rate of employee turnover	4.50	2.88

Qualitative Disclosures:**A. Characteristics of defined benefit plan**

The entity has a defined benefit gratuity plan in India (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

B. Risks associated with defined benefit plan

Gratuity is a defined benefit plan and entity is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

C. Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

c) Other long term benefits**Compensated absences**

The company provides compensated absences benefits to the employees which can be carried forward to the future years. The actuarial liability of compensated absences of privilege and sick leave of the employees of the Company and the amount recognised in the Statement of profit and loss for compensated absences are as under:

Particulars	2024-25	2023-24
Present value of benefit obligation at the end of the current year	165.29	123.37
Funded status - deficit	(165.29)	(123.37)
Net liability recognized in the balance sheet	(165.29)	(123.37)
Expense recognised in the statement of profit and loss for current year	91.24	58.22
Assumptions		
Discount Rate	6.54%	7.14%
Salary escalation	12.00%	12.00%

38 Segment reporting

The Company is engaged in single business segment of providing loans for purchase / construction of residential property and other mortgage loans. Accordingly, disclosures as per IND AS 108 "Operating segment" are not required.

39 Share-Based Payments

The Company has formulated and implemented MHFL Employee Stock Option Plan 2019 ('ESOP 2019') at its EGM held on 7th June 2019 which provides grants up to 13,28,766 (Thirteen Lakh Twenty Eight Thousand Seven Hundred and Sixty Six) employee stock options to the eligible employees of the Company, determined in terms of ESOP 2019, from time to time, in one or more tranches. In accordance with the ESOP 2019, each option on exercise would be eligible for one Equity Share on payment of the exercise price. As on 31 March, 2025, no options granted under ESOP Scheme 2019 have been exercised.

GRANT 1

The Company had granted 11,54,380 options on 19 November 2019 at an exercise price of Rs. 43 per option representing 11,54,380 equity shares of Rs. 10 each to the employees of the Company to be settled in equity of the Company. The options would vest over a period of 1-4 years from the date of grant, but not later than 19 November 2023, depending upon options grantee completing continuous service with the Company. The options can be exercised over a period of 10 years from the date of grant.

GRANT 2

Under Grant 2 under ESOP Scheme 2019, the Company had granted 3,70,000 options on 01 September 2023 at an exercise price of Rs. 59 per option representing 3,70,000 equity shares of Rs. 10 each to the employees of the Company to be settled in equity of the Company. The options would vest over a period of 1-4 years from the date of grant, but not later than 01 September 2027, depending upon options grantee completing continuous service with the Company. During the current year, 74,000 options were vested and 66,400 options lapsed.

GRANT 3

Under Grant 3 under ESOP Scheme 2019, the Company had granted 45,000 options on 06 February 2024 at an exercise price of Rs. 59 per option representing 45,000 equity shares of Rs. 10 each to the employees of the Company to be settled in equity of the Company. The options would vest over a period of 1-4 years from the date of grant, but not later than 06 February 2028, depending upon options grantee completing continuous service with the Company. During the current year, 9,000 options were vested and no options lapsed.

39.1 Movement during the year in Options:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
No. of Shares :		
Outstanding at the beginning of the year	13,27,380	9,47,880
Granted during the year	-	4,15,000
Vested during the year	83,000	2,07,345
Exercised during the year	-	-
Lapsed during the year	66,400	35,500
Outstanding at the end of year	12,60,980	13,27,380
Unvested at the end of year	2,65,600	4,15,000
Exercisable at the end of year	9,95,380	9,12,380

39.2 Method used for accounting of share based payment plan:

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black-Scholes model. The fair value of the options determined at grant date is recognised as employee compensation cost over the vesting period on straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity.

39.3 Fair Value Methodology :

The fair value of options have been estimated on the date of grant using Black-Scholes model as under :

Particulars	GRANT 1	GRANT 2	GRANT 3
Weighted average share price (in Rs.)	43.00	58.16	58.16
Exercise price (in Rs.)	43.00	59.00	59.00
Weighted average fair value of the option	20.47	31.19	31.18
Expected volatility of share price	34.74% to 35.15%	42.43% to 44.01%	42.07% to 44.24%
Expected option life (in years)	5.51 to 7.01 years	5.51 to 7.01 years	5.51 to 7.01 years
Expected growth in dividend (p.a.)	-	-	-
Risk free interest rate (p.a.)	6.28% to 6.52%	7.06% to 7.07%	7.01% to 7.02%

Volatility has been calculated based on the daily closing market price of comparable companies.

40 Changes in Liabilities Arising from Financing Activity

Particulars	As at 1 April 2024	Cash Flows(net)	Exchange Difference	Others	As at 31 March 2025
Debt Securities	-	4,982.84	-	165.18	5,148.02
Borrowings (Other than debt securities)	1,82,060.69	28,920.25	(178.67)	888.65	2,11,690.92
Subordinated liabilities	0.00	9,431.57		147.56	9,579.13
Total Liabilities from financing activities	1,82,060.69	43,334.66	(178.67)	1,201.39	2,26,418.07

Particulars	As at 1 April 2023	Cash Flows(net)	Exchange Difference	Others	As at 31 March 2024
Debt Securities	-	-	-	-	-
Borrowing (Other than debt securities)	1,25,043.14	57,314.19	59.70	(356.34)	1,82,060.69
Total Liabilities from financing activities	1,25,043.14	57,314.19	59.70	(356.34)	1,82,060.69

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41.A Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As a Housing Finance Company, the NHB/RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. (Refer note no. 49).

The primary objectives of the Company's capital management policy are to ensure that the Company complies with regulatory imposed capital requirements and maintains healthy capital ratios in order to support its business and to maximise shareholder value.

41.B Risk management

Principal financial liabilities of the Company comprises borrowings which finance the Company's operation. At the other end, principal financial assets comprises of loans and cash and cash equivalents that derive directly from it's operating and financing activities.

As a financial lending institution, Company is exposed to various risks which are related to lending business and operating environment. The principal objective in Company's risk management process is to measure and monitor the various risks that Company is subject to and follow policies and procedure to address such risks.

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors, Audit Committee and Risk Management Committee.

Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications and conservative loan to value ratio. The Company encourages and facilitates its customers to cover their lives through insurance. The Company also stipulates the insurance for the property funded/ mortgaged. The major types of risk Company face in businesses are credit risk, market risk and liquidity risk.

Credit risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to higher credit impaired loans/ non-performing assets. Company addresses credit risks by using a set of credit norms and policies, which are approved by Board of Directors. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Asset quality are regularly monitored and analysed at various levels. Company has created a robust credit assessment and underwriting practice that enables to fairly price credit risks.

Collateral Management

Narrative Description of Collateral

Collateral primarily includes mortgage of property. The collateral is valued at the time of sanctioning the credit facility and loan-to-value (LTV) norms are applied as specified in the credit policies. Collateral is an important factor for credit risk mitigation, however, the Company while lending focuses more on the assessment of customer's ability to repay than placing more reliance on collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk. For loan accounts classified as Stage III, collaterals are valued on annual basis.

The Company exercises its right of repossession across all secured products. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. The Company does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

Quantitative information of Collateral - Credit Impaired Assets

The following table sets forth, for the periods indicated, quantitative information of collaterals of credit impaired assets.(Principal outstanding before adjustment of ECL and EIR)

Loan to Value (LTV) range	Gross value of loan (Amount)	
	31 March 2025	31 March 2024
Less than 50%	1,352.05	747.25
51 to 70%	763.64	373.72
71 to 90%	726.26	334.26
91 to 100%	200.57	68.32
More than 100%	102.69	97.90
Total	3,145.21	1,621.45

Maximum credit risk exposure

The maximum exposure to credit risk of loans in their carrying amount without considering effect of mitigation through collateral recovery and credit enhancements.

Expected Credit Loss Measurement

As per Ind AS 109, Financial Instruments, the Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. ECL is computed on collective basis. The portfolio is segmented based on shared risk characteristics for the computation of ECL.

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage I' and has its credit risk continuously monitored by the Company.
2. If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to 'Stage II' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage III'.

The Company categorised its loans into Stage I, Stage II, Stage III as described below:

Stage I: When loans are first recognised, the Company recognises an allowance based on 12 month expected credit losses.(upto 30 days of default)

Stage II: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime expected credit losses (ECL) (more than 30 days of default)

Stage III: Loans considered credit-impaired. The Company records an allowance for the lifetime expected credit losses (more than 90 days of default)

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below:

Significant Increase in Credit Risk (SICR)

In the assessment of whether the credit risk on a financial instrument has increased significantly since initial recognition of the financial asset, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

a. Quantitative criteria:

When days passed dues from the borrower is more than 30 days but less than 90 days

b. Qualitative criteria:

If the borrower meets one or more of the following criteria:

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted

Default and credit-impaired assets

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

a. Quantitative criteria:

The borrower is more than 90 days past due on its contractual payments.

b. Qualitative criteria:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is insolvent
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Company's expected loss calculations.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD) and Discounting Factor (DF) along with an adjustment considering forward macro economic conditions, defined as follows:

The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 month (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. The Company uses historical information where available to determine PD. While computing probability of default, significant outlier events are appropriately handled/considered to make sure that such outlier events does not skew the outcomes of PD.

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Historical default rate is further calibrated with forward looking macroeconomic factors to determine the PD. The Company considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation, Interest rate etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates.

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation. To calculate the EAD for a Stage I loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For stage II, Stage III financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest. It is usually expressed as a percentage of the EAD. This present value of recovery is used for LGD computation. A recovery rate (RR) computed as the ratio of present value of recovery to the EAD $(1 - RR)$, gives the LGD.

Discounting Factor (DF) - As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

The Company recalibrates components of its ECL model periodically by;

- (1) updating the incremental and latest information available, except where such information do not represent the future outcome, and
- (2) assessing changes to its statistical techniques for a granular estimation of ECL. During the year, the Company has redeveloped its ECL model and implemented the same with the approval of Audit Committee and the Board.

Movement of loan assets as on 31 March 2025

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	1,93,494.75	9,667.47	1,621.45	2,04,783.67
Transfer to/ (from) stage I (net)	-	3,767.79	1,277.65	5,045.44
Transfer to/ (from) stage II (net)	(3,767.79)	-	828.53	(2,939.26)
Transfer to/ (from) stage III (net)	(1,277.65)	(828.53)	-	(2,106.18)
New financial assets originated	76,415.72	281.03	17.48	76,714.23
Collection in normal course and de-recognised	(35,131.52)	(1,200.47)	(599.90)	(36,931.88)
Closing Balance	2,29,733.50	11,687.29	3,145.22	2,44,566.01

Movement of loan assets as on 31 March 2024

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	1,37,548.35	9,939.68	1,263.72	1,48,751.75
Transfer to/ (from) stage I (net)	-	1,126.95	308.54	1,435.49
Transfer to/ (from) stage II (net)	(1,126.95)	-	516.95	(610.00)
Transfer to/ (from) stage III (net)	(308.53)	(516.95)	-	(825.48)
New financial assets originated	77,962.67	433.33	6.81	78,402.81
Collection in normal course and de-recognised	(20,580.79)	(1,315.54)	(474.57)	(22,370.90)
Closing Balance	1,93,494.75	9,667.47	1,621.45	2,04,783.67

Movement of ECL provision as on 31 March 2025

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	174.13	278.63	964.85	1,417.61
Transfer to/ (from) stage I (net)	-	(52.67)	(102.87)	(155.54)
Transfer to/ (from) stage II (net)	52.67	-	4.29	56.96
Transfer to/ (from) stage III (net)	102.87	(4.29)	-	98.58
New financial assets originated	59.06	6.75	6.03	71.84
Additional provision/ (reversal of) provision	(168.37)	6.91	765.83	604.37
Financial assets that have been de-recognised	(21.27)	(25.25)	(256.00)	(302.53)
Closing Balance	199.08	210.08	1,382.14	1,791.30

Movement of ECL provision as on 31 March 2024

Particulars	Stage I	Stage II	Stage III	Total
Opening Balance	231.07	232.75	858.93	1,322.75
Transfer to/ (from) stage I (net)	-	(36.90)	(172.42)	(209.32)
Transfer to/ (from) stage II (net)	36.90	-	(37.37)	(0.47)
Transfer to/ (from) stage III (net)	172.41	37.37	-	209.78
New financial assets originated	60.35	27.22	2.78	90.35
Additional provision/ (reversal of) provision	(298.75)	38.48	567.61	307.34
Financial assets that have been de-recognised	(27.85)	(20.29)	(254.68)	(302.83)
Closing Balance	174.13	278.63	964.85	1,417.61

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Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, liquidity and other market changes. The Company is exposed to two types of market risk as follows:

a) Interest risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, primarily since it lends to customers at floating rates and for maturity periods that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seeks to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

In short run, change in interest rate affects Company's earnings (measured by net interest income or net interest margin). It is essential for the Company to not only quantify the interest rate risk but also to manage it proactively. The Company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31-Mar-25	31-Mar-24
Variable rate borrowings	2,02,644.21	18,08,937.49
Fixed rate borrowings	26,040.94	2,357.11
Total borrowings	2,28,685.15	18,11,294.60

Net Exposure

Particulars	31-Mar-25	31-Mar-24
Variable borrowings	2,02,644.21	18,08,937.49
Variable loans	(1,45,784.15)	(1,34,242.22)
Net Exposure	56,860.06	16,74,695.27

Excludes unamortised EIR and ECL impact on loans and unamortised EIR impact on borrowings

(b) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25/50 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, remain constant.

Particulars	Increase/(Decrease) in profit before tax for the year ended	
	31-Mar-25	31-Mar-23
Interest rate - increased by 25 bps	(142.15)	(4,186.74)
Interest rate - decreased by 25 bps	142.15	4,186.74
Interest rate - increased by 50 bps	(284.31)	(8,373.48)
Interest rate - decreased by 50 bps	284.31	8,373.48

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company has hedged its foreign currency risk on its foreign currency borrowings by entering into forward contracts. The counterparties for such hedge transactions are banks. The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period are as follows:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Amount in USD	Amount in Rs. (lakhs)	Amount in USD	Amount in Rs. (lakhs)
Foreign Currency Borrowings	323.10	27,795.61	197.06	16,435.56

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

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Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Company sources funds from multiple sources, including from banks, financial institutions and other lenders to maintain a healthy mix of sources. The Company is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions and other lenders to ensure the liquidity risk is well addressed.

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has an asset liability management (ALM) policy and ALM Committee to review and monitor the liquidity risk and interest rate risk and ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk. Refer Note no 54 for Asset Liability Management.

The Table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled considering contractual terms and expected repayment behaviours. The amount disclosed below does not include EIR/ECL adjustments as they are not sensitive to maturity patterns. For "Loans" maturities within one year (i.e. Current), Company has factored the prepayments / foreclosures based upon the past trends.

Maturity pattern of assets and liabilities as on 31 March 2025

Particulars	Upto 12 months	More than 12 months	Total
Financial Assets			
Cash and cash equivalents	15,282.86	-	15,282.86
Other bank balances	1,548.78	9.49	1,558.27
Loans*	9,460.06	2,30,334.84	2,39,794.90
Investments	4,006.62	1,842.69	5,849.31
Other financial assets	1,278.96	1,452.36	2,731.32
Non-financial assets			
Current tax assets	-	478.29	478.29
Deferred tax assets	-	237.89	237.89
Property, plant and equipment	-	974.52	974.52
Intangible assets under development	-	68.62	68.62
Other intangible assets	-	61.48	61.48
Right of use assets	-	697.30	697.30
Assets held for sale	-	180.59	180.59
Other non-financial assets	884.70	113.80	998.50
Total	32,461.98	2,36,451.87	2,68,913.85

Particulars	Upto 12 months	More than 12 months	Total
Financial Liabilities			
Derivative financial instruments	382.91	-	382.91
Trade payables and other payables	608.93	-	608.93
Borrowings**	46,217.29	1,80,200.77	2,26,418.07
Lease liabilities	402.24	355.71	757.95
Other financial liabilities	1,022.29	3.84	1,026.13
Non-financial liabilities			
Provisions	104.67	369.95	474.62
Other non-financial liabilities	228.81	-	228.81
Total	48,967.15	1,80,930.27	2,29,897.42

Maturity pattern of assets and liabilities as on 31 March 2024

Particulars	Upto 12 months	More than 12 months	Total
Financial Assets			
Cash and cash equivalent	18,266.12	-	18,266.12
Other bank balance	-	1,472.08	1,472.08
Loans*	23,393.14	1,81,390.53	2,04,783.67
Investments	1,702.06	2,139.85	3,841.91
Other financial assets	297.40	306.42	603.82
Non-financial assets			
Current tax assets	-	185.76	185.76
Deferred tax assets	-	490.37	490.37
Property, plant and equipment	-	582.95	582.95
Other intangible assets	-	11.67	11.67
Right of use assets	-	512.22	512.22
Assets held for sale	-	354.59	354.59
Other non-financial assets	220.41	336.29	556.70
Total	43,879.13	1,87,782.73	2,31,661.86

Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Upto 12 months	More than 12 months	Total
Financial Liabilities			
Trade payables	941.05	-	941.05
Debt securities	-	-	-
Borrowings (Other than debt security)**	29,547.00	1,53,801.43	1,83,348.43
Lease liabilities	208.92	348.58	557.50
Other financial liabilities	11,428.77	3.84	11,432.61
Derivative financial instruments	8.47	-	8.47
Non-financial liabilities			
Current Tax Liabilities (net)	-	-	-
Provisions	98.70	267.42	366.12
Other non-financial liabilities	162.35	-	162.35
Total	42,395.26	1,54,421.27	1,96,816.53

*excludes unamortised EIR and ECL impact

**excludes unamortised EIR impact

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41.C Public Disclosure on Liquidity Risk as on March 31, 2025

Pursuant to RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated 4 November, 2019 and 22 October, 2020

(i) Funding Concentration based on significant counterparty*

Number of Significant Counterparties	Amount (Rs. lakhs)	% of Total Deposits	% of Total Liabilities
21	2,24,274.42	Nil	97.55%

Significant Counterparties is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDST's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFC

(ii) Top 20 large deposits (amount in Rs. lakhs and % of total deposits) – Not Applicable

(iii) Top 10 borrowings*

Sr. No.	Particulars	Amount (Rs. lakhs)
1	Amount (Rs. in lakhs)	1,67,459.38
2	% of Total Borrowing	73.23%

(iv) Funding Concentration based on significant instrument / product *

Sr. No.	Name of the instrument/product	Amount (Rs. lakhs)	% of Total Liabilities
1	Bank Loans	1,59,016.94	69.17%
2	NHB Refinance	26,148.67	11.37%
3	NBFC/FI Loans	28,019.53	12.19%
4	Commercial Paper	5,500.00	2.39%
5	Sub Debts	10,000.00	4.35%

* excluding interest accrued

A "significant instrument/product" is defined as a single instrument/product of group of similar instruments or products which in aggregate amount to more than 1% of the NBFC-NDST's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

(v) Stock Ratios

Particulars	As a % of total public funds	As a % of total liabilities	As a % of total assets
Commercial Paper	Nil	2.39%	2.05%
Non-convertible debentures (original maturity of less than one year)	Nil	Nil	Nil
Other short-term liabilities**	Nil	1.03%	0.88%

**Other short-term liabilities includes short term borrowings (original maturity within 1 year other than CP/1 year NCDs), cash credit limits/ WCDL, creditors and trade payables, statutory payable, expenses payable, employee benefit expenses (current) and book overdraft if any.

(vi) Institutional set-up for Liquidity Risk Management

The Liquidity Risk Management of the Company is governed by the Liquidity Risk Management Framework, Asset Liability Management (ALM) and Risk Management Policy approved by the Board of Directors. The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee. The Asset Liability Management Committee, inter alia, reviews the asset liability profile, liquidity risk management, funding and capital planning and preparation of contingency plans. Further, the Risk Management Committee, inter alia, monitors and measures the risk profile of the Company and oversees the integrated risk management system of the Company.

The Asset Liability Management Committee consisting of the company's senior management is responsible for ensuring adherence to the limits set by the Board as well as for implementing the liquidity risk management strategy.

Management regularly monitors the position of cash and cash equivalents. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans, maintenance of balance sheet liquidity and investment of surplus funds is considered while reviewing the liquidity position.

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Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

42 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value of financial assets not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Financial assets and financial liabilities

Particulars	Carrying amount as on		Fair value as on	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Financial assets				
Measured at fair value through profit or loss/ Other Comprehensive Income				
Investments	5,849.31	3,841.91	5,849.31	3,841.91
Derivative financial instruments (Liability)	(382.91)	(8.47)	(382.91)	(8.47)
Total	5,466.40	3,833.44	5,466.40	3,833.44
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	15,282.86	18,266.12	15,282.86	18,266.12
Other bank balance	1,558.27	1,472.08	1,558.27	1,472.08
Trade and other receivables	-	-	-	-
Loans	2,39,794.90	2,00,922.41	2,39,794.90	2,00,922.41
Other financial assets	2,731.32	603.82	2,731.32	603.82
Total	2,59,367.35	2,21,264.43	2,59,367.35	2,21,264.43
Financial Liabilities				
Measured at amortised cost				
Trade and other payables	608.93	941.05	608.93	941.05
Debt securities	5,148.02	-	5,148.02	-
Borrowings (Other than debt security)	2,11,690.92	1,82,060.69	2,11,690.92	1,82,060.69
Subordinated liabilities	9,579.13	-	9,579.13	-
Lease liabilities	757.95	557.50	757.95	557.50
Other financial liabilities	1,026.13	11,432.61	1,026.13	11,432.61
Total	2,28,811.08	1,94,991.85	2,28,811.08	1,94,991.85

Financial assets and financial liabilities measured at fair value

As on 31 March 2025

Particulars	Level 1	Level 2	Level 3
Financial assets			
Measured at fair value through profit or loss/ Other Comprehensive Income			
Investments in Security Receipts	-	-	1,838.16
Investments in Mutual Funds	4,006.62	-	-
Investments in Corporate	-	-	4.53
Derivative financial instruments (Liability)	-	(382.91)	-
Total	4,006.62	(382.91)	1,842.69

As on 31 March 2024

Particulars	Level 1	Level 2	Level 3
Financial assets			
Measured at fair value through profit or loss/ Other Comprehensive Income			
Investments in Security Receipts	-	-	2,135.35
Investments in Mutual Funds	1,702.06	-	-
Investments in Corporate	-	-	4.50
Derivative financial instruments (Liability)	-	(8.47)	-
Total	1,702.06	(8.47)	2,139.85

Fair value technique

Investment at fair value through profit or loss

Investments in Security receipts (SRs) are classified as Financial Assets measured at FVTPL as stated in Note No. 6. Net Asset Value is as certified by the issuer of Security Receipts. The fair valuation technique in this regard is classified under Level 3. The disclosure of sensitivity of fair value measurement in unobservable inputs is not considered relevant.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets measured at fair value:

Particulars	As at 31 March, 2025	As at 31 March, 2024
Investments in Security Receipts & Corporate		
Fair value at the beginning of the year	2,139.85	2,666.57
Purchase/ (Recoveries)	(297.16)	(526.72)
Transfers into Level 3		-
Transfers from Level 3		-
Net Fair Value Change	-	-
Other Comprehensive Income	-	-
Fair value at end of the year	1,842.69	2,139.85

Measured at FVOCI

For Derivative Financial Instruments (asset /liabilities) at FVOCI, valuation is done using closing rate determined by the bank and is classified as Level 2

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above table.

Short-term financial assets and financial liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, contract assets, bank balances other than cash and cash equivalents, trade payables, contract liabilities without a specific maturity etc.

Loans to customers

The fair values of financial assets held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

Borrowings from lenders

The fair values of financial liability held-to-maturity are estimated using a effective interest rate model based on contractual cash flows using actual yields.

Security deposits (Other financial assets)

The fair value of security deposits are estimated on present value technique that takes in to account the future cash flow that market participant would expect to receive from holding the financial assets.

To provide indication about the reliability of the inputs used in determining fair value, the Company has classified the financial instruments into three levels prescribed under the IND AS. An explanation of each level is as follows:

Level 1 : It includes financial instruments using quoted price.

Level 2 : It includes financial instruments which are not traded in active market is determined using valuation techniques with maximise the use of observable market data and rely as little as possible on entity specific estimates

Level 3 : If one or more of the significant inputs is not based on the observable market data, the instrument is included in level 3 hierarchy.

There is no transfer between the levels.

For certain unquoted equity instruments, recent information is insufficient to measure fair value and cost, represents the best estimate of fair value. These investments in equity instruments are not held for trading

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43 Transfer of financial assets

Assignment deals:

During the year ended 31 March 2020 and 31 March 2025, the Company sold a portion of its loan portfolio measured at amortised cost, as a source of finance. As per the terms of the deals, since substantial risk and rewards related to these assets is transferred to the buyer, the assets were derecognised from the Company's. Based on the Company's future business plan, the business model continues to hold its loans for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

Loans measured at amortised cost	As at 31 March, 2025	As at 31 March, 2024
Carrying amount of derecognised loans	11,614.26	2,641.17
Net gain on derecognition of loans	1,976.98	-

44 (a) Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to Statement of Profit and Loss

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Type of service		
Income from marketing and other activities	1,162.50	0.32
Total revenue from contract with customers	1,162.50	0.32
Geographical markets		
India	1,162.50	0.32
Outside India	-	-
Total revenue from contract with customers	1,162.50	0.32
Timing of revenue recognition		
Services transferred at a point in time	1,162.50	0.32
Services transferred over time	-	-
Total revenue from contracts with customers as per Note No. 24 to Statement of Profit and Loss	1,162.50	0.32

Contract balance

Particulars	As at 31 March, 2025	As at 31 March, 2024
Trade receivables	-	-
Contract assets	-	-

Company does not have any contract assets.

45 Details of segment wise income from insurance partners as required by Insurance Regulatory and Development Authority of India (IRDAI) are as below

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Income From Insurance intermediation		
Commission Income- Life Insurance	1,042.29	-
Commission Income- General Insurance	120.20	-
Total	1,162.49	-

The Company received Corporate Agency (CA) license from the Insurance Regulatory and Development Authority of India (IRDAI) on 08 April 2024. The Company entered into agreements with various insurance partners as a Corporate Agent and received commission Income during the year as disclosed above.

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46.1 List of Related Party

- | | |
|--|---|
| 1) Holding Company | Muthoot Fincorp Limited |
| 2) Fellow Subsidiary | i. Muthoot Pappachan Technologies Limited
ii. Muthoot Microfin Limited |
| 3) Key Managerial Personnel (KMP) | i. Suzanna Muthoot - (Whole-time director) Executive Director (w.e.f 23 December 2025)
ii. Pavan K. Gupta - Chief Executive Officer
iii. Yogesh Udhoji – Chief Financial Officer
iv. S. Sumesh – Company Secretary
v. Thomas Muthoot - Director
vi. Thomas George Muthoot - Director
vii. Thomas John Muthoot - Director
viii. Santanu Mukherjee - Independent Director
ix. Suresh Mahalingam - Independent Director
x. Vasudevan Ramaswami- Non Executive Director |
| 4) Enterprises over which KMP are able to exercise or having significant influence | i. Muthoot Capital Services Limited
ii. Muthoot Papachan Foundation
iii. Muthoot Pappachan Chits India Private Limited
iv. Thinking Machine Media Private Limited
v. MPG Hotels and Infrastructure Ventures Private Limited
vi. Muthoot Automobile Solutions Private Limited
vii. Mariposa Agri Ventures and Hospitalities Private Limited
viii. Muthoot Risk Insurance and Broking Services Private Limited
ix. Muthoot Automotive (India) Private Limited
x. Muthoot Equities Limited
xi. Muthoot Motors Private Limited
xii. Muthoot Pappachan Medicare Private Limited
xiii. Muthoot Pappachan Centre of Excellence In Sports
xiv. Muthoot Cine Enterprise
xv. Muthoot Estate Investments
xvi. Muthoot Finance Company
xvii. Muthoot Insurance Services
xviii. Muthoot Motors (Cochin)
xix. Muthoot Bankers, Ernakulam
xx. MPG Automobiles LLP
xxi. Muthoot Holdings Private Limited
xxii. Muthoot Bankers, Trivandrum
xxiii. Speckle Internet Solutions Private Limited
xxiv. Muthoot APT Ceramics Limited
xxv. Mariposa Agri Ventures and Hospitalities Private Limited |
| 5) Relatives of KMP (with whom there were transactions during the year/previous year) | None |

46.2 Transactions carried out with the Related Parties in (46.1 above), in ordinary course of business

Nature	Name of Related Party	Year ended 31 March 2025	Year ended 31 March 2024
Rent and amenities expenses	Muthoot Fincorp Limited	159.73	161.52
Business sourcing expenses paid	Muthoot Fincorp Limited	34.15	27.66
Software licence fees and server usage charges paid	Muthoot Pappachan Technologies Limited	33.99	29.69
Business sourcing income received	Muthoot Fincorp Limited	0.03	0.37
Travelling expenses incurred on our behalf	Muthoot Fincorp Limited	41.80	43.05
Refund of security deposits paid for rented premises	Muthoot Fincorp Limited	0.14	0.65
Rental Income	Muthoot Pappachan Chits India Private Ltd	3.93	3.75
CSR Expenses	Muthoot Papachan Foundation	69.63	56.33
Personal guarantee extended on behalf of Muthoot Housing Finance Company Limited for borrowings	Thomas Muthoot	-	51,500
	Thomas John Muthoot		
	Thomas George Muthoot		
Sitting fees to directors	Santanu Mukherjee	4.50	3.60
	V Ranganathan	-	1.10
	Suresh Mahalingam	4.50	2.50
Remuneration paid	Suzanna Muthoot, Pavan K. Gupta, Yogesh Udhoji, S. Sumesh	500.58	351.29
Counter Guarantee	Muthoot Fincorp Limited	-	50.00

Balance at the end of year

Nature	Name of Related Party	Year ended 31 March 2025	Year ended 31 March 2024
Outstanding personal guarantee extended on behalf of Muthoot Housing Finance Company Limited for borrowings	Thomas Muthoot Thomas John Muthoot Thomas George Muthoot	1,41,601.39	1,52,467.73
Advance to creditors	Muthoot Pappachan Chits India Private Ltd	0.30	0.29
Trade Payable	Muthoot Fincorp Limited	32.20	38.49
Trade Receivable	Muthoot Fincorp Limited	-	0.03
Security deposit given	Muthoot Fincorp Limited	37.28	37.42
Security deposit received	Muthoot Pappachan Chits India Private Ltd	1.44	1.44
Investments in equity instruments	M/s Thinking Machine Media Private Ltd (TMMPL)	4.50	4.50
Counter Guarantee	Muthoot Fincorp Limited	-	50.00

Employee Stock options outstanding as at the end of the year (Vested+ Non Vested)*

Key Managerial Personnel	31st March 2025	31st March 2024
Pavan K. Gupta	Grant 1 - 6,64,380 Options	Grant 1 - 6,64,380 Options
Vikas Srivastava#	Grant 1 - 33,750 Options	Grant 1 - 33,750 Options
Yogesh Udhoji	Grant 2 - 50,000 Options	Grant 2 - 50,000 Options
S. Sumesh	Grant 1 - 10,000 Options and Grant 2 - 5000 Options	Grant 1 - 10,000 Options and Grant 2 - 5000 Options

* No Employee Stock Options exercised by the KMPs as at the end of the year (31 March, 2024 : Nil)

#Chief Financial Officer (upto 20 October 2022)

Notes:

- Remuneration to KMP does not include benefits available under gratuity and accrued compensated absences.
- The above amounts are inclusive of GST wherever applicable.
- Outstanding personal guarantee extended on behalf of Muthoot Housing Finance Company Limited for borrowings represents loan outstanding as at year end. Sanction amount outstanding against respective borrowings as at year end amounts to Rs. 2,27,050.00 Lakhs (31 March, 2024: Rs. 2,19,050 Lakhs)

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Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

46.3 Disclosure on Related Party Transactions as per the RBI notification no. RBI/2022-23/26DOR.ACC.REC. No.20/21.04.018/2022-23 on Disclosure requirements under Scale Based Regulation for NBFCs dated April 19, 2022

Particulars	Holding Company		Fellow Subsidiary		Key Managerial Personnel (KMP)		Enterprises over which KMP are able to exercise or having significant influence		Relatives of KMP (with whom there were transactions during the year/previous year)		Total	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Transactions during the year												
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-	-	-
Rent and amenities expenses	159.73	161.52	-	-	-	-	-	-	-	-	159.73	161.52
Business sourcing expenses paid	34.15	27.66	-	-	-	-	-	-	-	-	34.15	27.66
Software licence fees and server usage charges paid	-	-	33.99	29.69	-	-	-	-	-	-	33.99	29.69
Business sourcing income received	0.03	0.37	-	-	-	-	-	-	-	-	0.03	0.37
Travelling expenses incurred on our behalf	41.80	43.05	-	-	-	-	-	-	-	-	41.80	43.05
Security deposits for rented premises paid	-	-	-	-	-	-	-	-	-	-	-	-
Refund of security deposits paid for rented premises	0.14	0.65	-	-	-	-	-	-	-	-	0.14	0.65
Security deposits for rented premises received	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	3.93	3.75	-	-	3.93	3.75
CSR Expenses	-	-	-	-	-	-	69.63	56.33	-	-	69.63	56.33
Personal guarantee extended on behalf of Muthoot Housing Finance Company Limited for borrowings	-	-	-	-	-	51,500.00	-	-	-	-	-	51,500.00
Sitting fees to directors	-	-	-	-	9.00	7.20	-	-	-	-	9.00	7.20
Counter Guarantee	-	50.00	-	-	-	-	-	-	-	-	-	50.00
Remuneration paid	-	-	-	-	500.58	381.20	-	-	-	-	500.58	381.20

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Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Holding Company		Fellow Subsidiary		Key Managerial Personnel (KMP)		Enterprises over which KMP are able to exercise or having significant influence		Relatives of KMP (with whom there were transactions during the year/previous year)		Total	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<u>Balance at the end of year</u>												
Outstanding personal guarantee extended on behalf of Muthoot Housing Finance Company Limited for borrowings	-	-	-	-	1,41,601.39	1,52,467.73	-	-	-	-	1,41,601.39	1,52,467.73
Advance to creditors	-	-	-	-	-	-	0.30	0.29	-	-	0.30	0.29
Trade Payable	32.20	38.49	-	-	-	-	-	-	-	-	32.20	38.49
Trade Receivable	-	0.03	-	-	-	-	-	-	-	-	-	0.03
Security deposit given	37.28	37.42	-	-	-	-	-	-	-	-	37.28	37.42
Counter Guarantee	-	50.00	-	-	-	-	-	-	-	-	-	50.00
Security deposit received	-	-	-	-	-	-	1.44	1.44	-	-	1.44	1.44
Investments in equity instruments	-	-	-	-	-	-	4.50	4.50	-	-	4.50	4.50
<u>Maximum outstanding during the year</u>												
Outstanding personal guarantee extended on behalf of Muthoot Housing Finance Company Limited for borrowings	-	-	-	-	1,52,467.73	1,52,467.73	-	-	-	-	1,52,467.73	1,52,467.73
Advance to creditors	-	-	4.32	2.36	-	-	0.6	0.57	-	-	4.92	2.93
Trade Payable	38.46	38.46	-	-	-	-	-	-	-	-	38.46	38.46
Trade Receivable	0.07	0.12	-	-	-	-	-	-	-	-	0.07	0.12
Security deposit given	37.42	38.08	-	-	-	-	-	-	-	-	37.42	38.08
Security deposit received	-	-	-	-	-	-	1.44	1.44	-	-	1.44	1.44
Investments in equity instruments	-	-	-	-	-	-	4.50	4.50	-	-	4.50	4.50

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- 47 The Company uses accounting software for maintaining its books of account which have a feature of audit trail (edit log) facility at the application level for each change made in the books of account along with date of such changes made. This feature of audit trail (edit log) facility was operated throughout the year for all the transactions recorded in such software.

The database of the accounting software used by the Company are operated by the third-party software service providers and direct access to the database of all accounting software is available only to database administrators and there are appropriate controls to prevent any unauthorised modifications.

- 48 Disclosure as per Master Direction no. RBI/2020-21/73 - DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17 2021 – “Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021”.

Pursuant to Master Direction of Reserve Bank of India ref. RBI/2020-21/73 - DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17 2021 , the Company has followed the extant provisions of Housing Finance Company (Reserve Bank) Directions, 2021 including Implementation of Indian Accounting Standards and Disclosure requirement under circular Ref. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20”.

- 49 **1) Capital To Risk Asset Ratio (CRAR):**

Items	Year ended 31 March 2025	Year ended 31 March 2024
CRAR (%)	29.64%	23.32%
CRAR - Tier I capital (%)	23.24%	23.19%
CRAR - Tier II Capital (%)	6.39%	0.13%
Amount of subordinate debts raised as Tier- II capital	10,000.00	-
Amount raised by issue of perpetual debt instrument	-	-

2) Liquidity Coverage Ratio :

The liquidity coverage ratio disclosure as per RBI circular No RBI/2019-20/88 DOR.NBFC (PD) CC. No 102/03.10.001/2019-20 dated November 4, 2019 is not applicable to the company and hence it has not been disclosed

3) Disclosure in terms of RBI Master Direction- Non Banking Finance Company - Housing Finance Company (Reserve Bank) Directions 2021 dated February 17, 2021 as updated

The RBI vide its circular number RBI/2020-21/60/DOR.NBFC HFC CC NO 118/03.10.136/2020-21 dated October 22, 2020 defined the principal business criteria for HFCs.

Principal Business Criteria for the Company registered as Housing Finance Company as per Paragraph 4.1.17 of the Master Direction is given below

Criteria	% As at 31 March 2025	% As at 31 March 2024
Assets towards housing finance*	1,62,086.28	1,39,781.37
Total Assets (netted off Intangible Assets and Deferred Tax Assets)	2,67,848.56	2,27,298.56
% of total assets towards housing finance	60.51%	61.50%
% of total assets towards housing finance for individuals	60.51%	61.50%

*Assets towards housing finance represents the principal portion of housing loans to individuals (excluding insurance)

4) Details of Crypto or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the financial years ended March 31,2025 and March 31, 2024.

5) Undisclosed Income

For the year ended March 31, 2025 and March 31, 2024, there are no instances of transactions not recorded in the books of account, which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

6) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or other lender during the financial year ended March 31 2025 and March 31, 2024.

7) Relationship with Struck off Companies

The Company has not undertaken any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial years ended March 31 2025 and March 31,2024.

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8) Registration of charges or satisfaction with Registrar of Companies (ROC)

There is no charge form filed beyond the statutory period during the financial years ended March 31, 2025 and March 31, 2024.

9) Whistle Blower Complaints

There were no whistle blower complaints received by the Company during the financial years ended March 31, 2025 and March 31, 2024.

10) Discontinued operations

The company had no discontinuing operations during the financial years ended March 31 2025 and March 31, 2024.

11) Compliance with number of layers of companies

The company is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2025 and March 31, 2024.

12) Compliance with approved scheme(s) of Arrangements

During the year, no scheme of arrangements in relation to the company has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act 2013. Accordingly, aforesaid disclosure are not applicable since there was no such transaction

13) Corporate Governance report containing composition and category of directors, shareholding of Non-Executive directors e

The corporate governance report containing composition and category of directors, shareholding of non-executive directors is part of the annual report for the financial year ended March 31, 2025.

14) Newly issued or amendments in standards but not yet effective

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. At 31 March, 2025, there are no notification issued by the MCA with respect to applicability of any new standard or amendments to the existing standards, which are applicable from 1 April, 2025.

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15) Analytical Ratios

The following tables set forth for the periods indicated, computation of capital adequacy ratio

Ratio	As at 31 March, 2025		As at 31 March, 2025	As at 31 March, 2024	% Variance	Reason for variance (if above 25%)
	Numerator	Denominator				
Capital to risk-weighted assets ratio (CRAR)	47,275.66	1,59,514.85	29.64%	23.32%	27.10%	Subordinated debt
Tier I CRAR	37,076.58	1,59,514.85	23.24%	23.19%	0.21%	Increase in risk weighted assets
Tier II CRAR	10,199.08	1,59,514.85	6.39%	0.13%	4815.38%	Subordinated debt

Ratio	As at 31 March, 2024		As at 31 March, 2024	As at 31 March, 2023	% Variance	Reason for variance (if above 25%)
	Numerator	Denominator				
Capital to risk-weighted assets ratio (CRAR)	31,599.20	1,35,500.21	23.32%	31.23%	-25.33%	Increase in risk weighted assets
Tier I CRAR	31,425.07	1,35,500.21	23.19%	30.94%	-25.04%	Increase in risk weighted assets
Tier II CRAR	174.13	1,35,500.21	0.13%	0.28%	-53.57%	Increase in risk weighted assets

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50 Reserve Fund U/S 29C of NHB Act, 1987

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year:		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	424.59	343.59
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	2,893.97	2,274.97
c) Total	3,318.56	2,618.56
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	215.00	81.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	635.00	619.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year:		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	639.59	424.59
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987	3,528.97	2,893.97
c) Total	4,168.56	3,318.56

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51 Investments

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
1. Value of Investments :		
(i) Gross value of investments		
(a) In India	5,849.31	3,841.91
(b) Outside India	-	-
(ii) Provision of depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	5,849.31	3,841.91
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

52.1 Derivatives

52.1.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps *	-	-
(v) The fair value of the swap book **	-	-
Note :Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.	-	-
* Examples of concentration could be exposures to particular industries or swaps with highly geared companies..	-	-
** If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.	-	-

52.1.2 Exchange Traded Interest Rate (IR) Derivative

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on (instrument-wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"(instrument-wise)	-	-

52.1.3 Disclosures on risk exposure in derivatives

(A) Qualitative disclosure

The company's hedging practice only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exist between the hedged item and hedging instruments. The company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item and so a qualitative and quantitative assessment of effectiveness is performed.

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(B) Quantitative disclosure

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) Derivatives (notional principal amount)	28,556.78	16,860.66
(ii) Marked to market positions	-	-
(a) Assets (+)	-	-
(b) Liabilities (-)	(382.91)	(8.47)
(iii) Credit exposures	-	-
(iv) Unhedged exposures	-	-

52.2 Securitisation

Particulars	No. / Amount
1. No of SPVs sponsored by the HFC for securitization transactions	-
2. Total amount of securitised assets as per books of the SPVs sponsored	-
3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet :	
(I) Off-balance sheet exposures towards credit enhancements	-
(II) On-balance sheet exposures towards credit enhancements	-
4. Amount of exposures to securitisation transactions other than MRR :	
(I) Off-balance sheet exposures towards credit enhancements	
a) Exposure to own securitisations	-
b) Exposure to third party securitisations	-
(II) On-balance sheet exposures towards credit enhancements	
a) Exposure to own securitisations	-
b) Exposure to third party securitisations	-

52.3 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC*	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate (gain)/loss over net book value	-	-

*Book value inclusive of interest accrued and net of provision/write off as on date of transfer.

The above disclosures are in respect of transactions undertaken during the respective financial years.

52.4 Details of assignment transactions undertaken by HFCs

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) No. of accounts	1,245	-
(ii) Aggregate value (net of provisions) of accounts assigned	9,969.68	-
(iii) Aggregate consideration	9,969.68	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	1,976.98	-

The above disclosures are in respect of assignment transactions undertaken during the respective financial years.

52.5 Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding of (i) above	-	-
(iii) No. of accounts restructured during the year	-	-
(iv) Aggregate outstanding of (iii) above	-	-

B. Details of non-performing financial assets sold

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding*	-	-
(iii) Aggregate consideration received	-	-

*Book value inclusive of interest accrued and net of provision/write off as on date of transfer.

The above disclosures are in respect of assignment transactions undertaken during the respective financial years.

Disclosure as per Master Direction no. RBI/2020-21/73 - DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17 2021 – “Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021”.

53 Schedule to the Balance Sheet of an HFC

Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2024
Liabilities side				
1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:				
(a) Debentures :				
Secured	-	-	-	-
Unsecured	9,579.13	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits				
(c) Term Loans	2,11,690.92	-	1,82,060.69	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	5,148.02	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans	-	-	-	-
2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

Particulars	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2024
Assets side				
3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:				
(a) Secured	2,39,794.90	-	2,00,922.41	-
(b) Unsecured	-	-	-	-
4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities				
(i) Lease assets including lease rentals under sundry debtors				
(a) Financial lease	-	-	-	-
(b) Operating lease	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors				
(a) Assets on hire	-	-	-	-
(b) Repossessed Assets	180.59	-	354.59	-
(iii) Other loans counting towards asset financing activities	-	-	-	-
(a) Loans where assets have been repossessed	-	-	-	-
(b) Loans other than (a) above	-	-	-	-
5 Break-up of Investments				
5.1 Current Investments				
5.1.1 Quoted				
(i) Shares				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government Securities	-	-	-	-
(v) Others	-	-	-	-
5.1.2 Unquoted				
(i) Shares				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-
(iii) Units of mutual funds	4,006.62	-	1,702.06	-
(iv) Government Securities	-	-	-	-
(v) Others	-	-	-	-

Schedule to the Balance Sheet of an HFC(continued)

5.2 Long Term investments				
5.2.1 Quoted				
(i) Shares				
(a) Equity	-	-	-	-
(b) Preference	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government Securities	-	-	-	-
(v) Others	-	-	-	-
5.2.2 Unquoted				
(i) Shares				
(a) Equity	4.53	-	4.50	-
(b) Preference	-	-	-	-
(ii) Debentures and Bonds	-	-	-	-
(iii) Units of mutual funds	-	-	-	-
(iv) Government Securities	-	-	-	-
(v) Others (Investment in Security Receipts)	1,838.16	-	2,135.35	-

6 Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	As at 31 March 2025		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	2,39,794.90	-	2,39,794.90
Total	2,39,794.90	-	2,39,794.90

Category	As at 31 March 2024		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	2,00,922.41	-	2,00,922.41
Total	2,00,922.41	-	2,00,922.41

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at 31 March 2025		As at 31 March 2024	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	4.50	4.50	4.50	4.50
(c) Other related parties	-	-	-	-
2 Other than related parties	5,844.81	5,844.81	3,837.41	3,837.41
Total	5,849.31	5,849.31	3,841.91	3,841.91

8 Other information

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
(i) Gross Non-Performing Assets	3,145.21	1,621.45
(a) Related parties	-	-
(b) Other than related parties	3,145.21	1,621.45
(ii) Net Non-Performing Assets	1,763.08	656.60
(a) Related parties	-	-
(b) Other than related parties	1,763.08	656.60
(iii) Assets acquired in satisfaction of debt* (Position as at the end of the year)	180.59	354.59

*Represents repossessed assets held for sale

Muthoot Housing Finance Company Limited
Notes to financial statements for the year ended 31st March, 2025

(All amounts are in INR Lakhs, unless otherwise stated)

54 Assets Liability Management - Maturity pattern of certain items of assets and liabilities

As at 31 March 2025		Liabilities			Assets		
Period	Deposits	Borrowing from Banks**	Market borrowing*	Foreign currency liabilities	Advances	Investments	Foreign currency assets
1 day to 7 days	-	-	1,482.69	-	-	4,006.62	-
8 to 14 days	-	-	-	-	-	-	-
15 days to 30/31 days	-	961.93	87.35	202.19	746.79	-	-
Over one month to 2 months	-	592.05	405.63	-	751.00	-	-
Over 2 months up to 3 months	-	3,788.18	405.70	732.43	760.91	-	-
Over 3 months to 6 months	-	6,078.38	2,645.58	-	2,318.34	-	-
Over 6 months to 1 year	-	18,021.78	10,813.39	-	4,883.02	-	-
Over 1 year to 3 years	-	47,679.88	16,735.40	-	22,311.16	-	-
Over 3 to 5 years	-	36,214.36	14,767.30	-	26,467.74	-	-
Over 5 years	-	16,537.24	21,405.61	26,860.98	1,81,555.94	1,842.69	-
Total	-	1,29,873.81	68,748.65	27,795.61	2,39,794.90	5,849.31	-

* Market borrowing includes borrowings from NBFCs and HFCs

** Borrowings from Banks include borrowings from banks and NHB

As at 31 March 2024		Liabilities			Assets		
Period	Deposits	Borrowing from Banks**	Market borrowing*	Foreign currency liabilities	Advances	Investments	Foreign currency assets
1 day to 7 days	-	-	199.92	-	-	1,702.06	-
8 to 14 days	-	69.44	-	-	-	-	-
15 days to 30/31 days	-	1,126.54	53.83	200.00	1,040.64	-	-
Over one month to 2 months	-	921.35	227.31	-	647.24	-	-
Over 2 months up to 3 months	-	2,714.42	529.93	120.31	655.80	-	-
Over 3 months to 6 months	-	6,005.26	999.44	527.95	1,992.26	-	-
Over 6 months to 1 year	-	13,341.17	1,454.23	1,055.90	4,557.20	-	-
Over 1 year to 3 years	-	51,112.63	6,584.07	4,223.61	19,865.18	-	-
Over 3 to 5 years	-	40,996.11	5,468.73	4,152.66	24,378.30	-	-
Over 5 years	-	34,630.45	478.04	6,155.13	1,51,647.05	2,139.85	-
Total	-	1,50,917.38	15,995.51	16,435.57	2,04,783.66	3,841.91	-

* Market borrowing includes borrowings from NBFCs and HFCs

** Borrowings from Banks include borrowings from banks and NHB

- Based on contractual terms. Overdue receivables are allocated to respective buckets in accordance with Appendix I of NHB guidelines for ALM .
- Excludes unamortised EIR and ECL impact on assets
- Excludes unamortised EIR impact on liabilities

55 ECL Disclosure

						As at 31 March 2025
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	*Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage I	2,29,733.51	199.09	2,29,534.42	690.32	(491.23)
	Stage II	11,687.29	210.08	11,477.20	34.16	175.92
Subtotal		2,41,420.80	409.17	2,41,011.63	724.47	(315.30)
Non-Performing Assets (NPA)						
Substandard	Stage III	2,236.33	920.46	1,315.87	335.45	585.01
Doubtful - up to 1 year	Stage III	597.60	287.36	310.24	149.40	137.96
Doubtful - 1 to 3 years	Stage III	296.10	165.78	130.32	118.44	47.34
More than 3 years	Stage III	15.18	8.53	6.65	15.18	(6.65)
Subtotal for doubtful		908.88	461.67	447.20	283.02	178.65
Subtotal for NPA		3,145.22	1,382.13	1,763.08	618.47	763.67
Total	Stage I	2,29,733.51	199.09	2,29,534.42	690.32	(491.23)
	Stage II	11,687.29	210.08	11,477.20	34.16	175.92
	Stage III	3,145.22	1,382.13	1,763.08	618.47	763.67
	Total	2,44,566.02	1,791.30	2,42,774.71	1,342.94	448.36

IRACP stands for Income Recognition, Asset Classification and Provisioning

*Excludes unamortised EIR impact on loan assets

						As at 31 March 2024
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	*Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	**Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage I	1,93,494.75	174.13	1,93,320.62	789.62	(615.49)
	Stage II	9,667.47	278.63	9,388.84	45.80	232.83
Subtotal		2,03,162.22	452.76	2,02,709.46	835.42	(382.66)
Non-Performing Assets (NPA)						
Substandard	Stage III	1,106.53	658.21	448.32	166.31	491.90
Doubtful - up to 1 year	Stage III	477.66	287.97	189.69	177.88	110.09
Doubtful - 1 to 3 years	Stage III	23.13	12.91	10.22	14.66	(1.75)
More than 3 years	Stage III	14.13	5.76	8.37	14.13	(8.37)
Subtotal for doubtful		514.92	306.64	208.28	206.67	99.97
Subtotal for NPA		1,621.45	964.85	656.60	372.98	591.87
Total	Stage I	1,93,494.75	174.13	1,93,320.62	789.62	(615.49)
	Stage II	9,667.47	278.63	9,388.84	45.80	232.83
	Stage III	1,621.45	964.85	656.60	372.98	591.87
	Total	2,04,783.67	1,417.61	2,03,366.06	1,208.40	209.21

IRACP stands for Income Recognition, Asset Classification and Provisioning

*Excludes unamortised EIR impact on loan assets

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56 Exposure to real estate sectors

Category	As on 31 March 2025	As on 31 March 2024
A) Direct exposure		
i) Residential mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; Exposure including non-fund based limits;**	2,69,804.25	2,13,202.63
ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure including non-fund based limits;	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential*	1,838.16	2,135.35
b) Commercial real estate	-	-
B) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

*Represents investments in security receipts issued by ARC which has underlying exposure to residential mortgage.

**Represent housing loans and loans against property including off balance sheet exposure (Sanctioned but not disbursed)

57 Exposure to capital market

Category	As on 31 March 2025	As on 31 March 2024
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	4.50	4.50
(ii) advances against shares / bonds /debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds/Alternate Investment funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	4.50	4.50

58 Details of financing of parent company products

Company has not entered into any transaction of financing of parent company product during the financial year ended March 31, 2025 and March 31, 2024.

59 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

Company during the year has not exceeded the prudential exposure limits in case of single borrower limit / group borrower limit in any case.

60 Contingent Liabilities and Commitments

(a) Contingent Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Claims against the company in respect of Goods and Service Tax demand where the Company has filed appeal		
Goods and Service Tax (FY2017-18)*	0.84	0.84
Goods and Service Tax (FY2021-22)	2.59	2.59
	3.43	3.43

*The Company has filed application under the Amnesty Scheme offered by the GST authorities to settle the matter. The sanction from the authorities is awaited.

(b) Capital Commitments

Estimated amount of contract remaining to be executed on capital account is Nil (31 March 2024 : Nil).

(c) Other commitments

Loan commitment in respect of partly disbursed loans is Rs. 25,238.22 lakhs (31 March 2024: Rs. 8,418.97 lakhs).

61 Exposure to group companies engaged in real estate business

Company does not have any exposure to group companies engaged in real estate business as at 31 March 2025

62 Sectoral Exposure

Sectors	As at 31 March 2025			As at 31 March 2024		
	Total Exposure (Including on Balance sheet and Off - Balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to Total exposure in that sector	Total Exposure (Including on Balance sheet and Off - Balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to Total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans						
i) Housing	1,92,418.58	2,342.44	1.22%	1,55,181.64	1,223.79	0.79%
ii) Non Housing	77,385.67	802.78	1.04%	58,020.99	415.42	0.72%
5. Other, If any	-	-	-	-	-	-
Total	2,69,804.25	3,145.21	1.17%	2,13,202.63	1,639.21	0.77%

62.1 Balance outstanding is before EIR/ECL adjustments

62.2 Exposure through investments in Security Receipts (Balance outstanding) not considered for the purpose of above disclosure.

62.3 Gross NPA includes off balance sheet exposure of Rs. Nil (31 March, 2024 : Rs. 17.76 Lakhs).

62.4 Off balance sheet exposure represents amount sanctioned but not disbursed Rs.25,238.22 Lakhs (31 March 2024 : Rs. 8,418.97 Lakhs)

63 Registration obtained from other financial sector regulators

The Company has obtained registration from Insurance Regulatory and Development Authority vide Registration No. CA0931 dated 08 April 2024

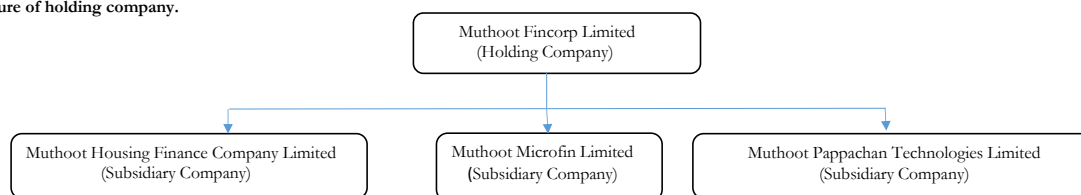
64 Disclosure of penalties imposed by NHB/RBI and other regulators

The statutory inspection of the Company was conducted by the National Housing Bank with reference to its financial position as on 31 March 2022. Reserve Bank of India ('RBI') in exercise of the powers vested with it under the provisions of the National Housing Bank Act, 1987 has imposed penalty of Rs. 5.00 lakhs vide its order dated 7 August 2024, on account of contravention of para 45 of Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 which requires prior written permission from RBI for change in management resulting in change in more than 30% of the Non-Independent Directors. The Company has duly deposited the said penalty.

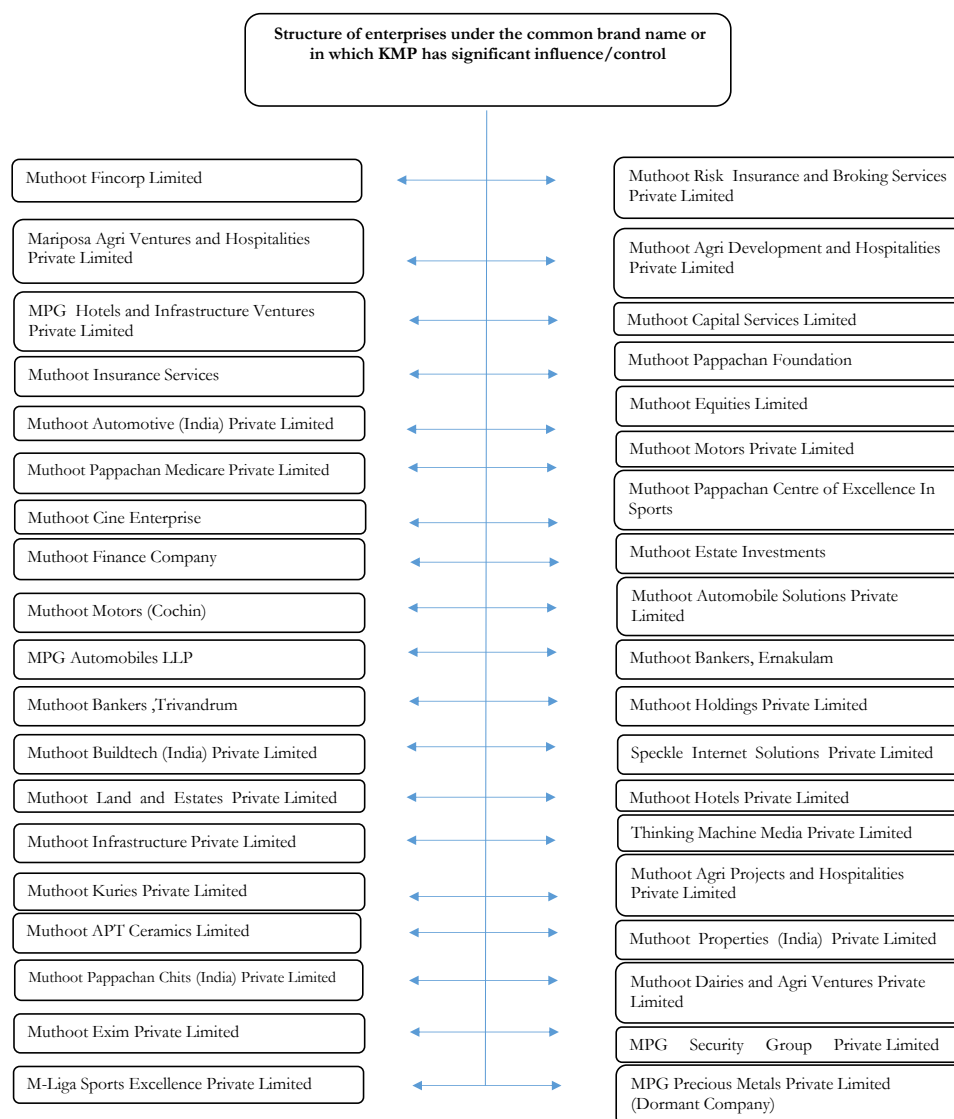
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65 **Diagrammatic representation of Group Structure**

A) Structure of holding company.



B) Structure of enterprises under the common brand name or in which KMP has significant influence, other than above.



- 66 **Rating assigned by credit rating agencies and Migration of Rating during the year**
Company has been rated Crisil A+/Stable for its long term bank loans and NCD issuance. During the previous year rating was upgraded from A/Stable to A+/Stable.
- 67 **Remuneration of Non executive Directors**
Refer Note no 46 Related Party Transactions
- 68 **Changes in accounting policies**
During the year company has not made any changes in accounting policy.
- 69 **Revenue Recognition**
Company during the year has not postponed revenue recognition pending the resolution of significant uncertainties
- 70 **Provisions and contingencies**

Break up of 'Provisions and Contingencies' included in the Statement of Profit and Loss Account	Year ended 31 March 2025	Year ended 31 March 2024
Provisions for depreciation on investment	-	-
Provision made towards income tax	1,162.16	1,125.27
Provision towards NPA	417.29	105.92
Provision for standard assets	(43.60)	(11.05)
Provision for diminution of assets acquired	80.39	24.62
Provision towards loan commitment	1.92	-

- 71 **Provisions on loans**

Break up of Loans and Advances and Provisions thereon	Housing		Non housing	
	As on 31 March 2025	As on 31 March 2024	As on 31 March 2025	As on 31 March 2024
Standard Assets				
a) Total outstanding amount	1,69,737.20	1,46,120.29	71,683.59	57,041.93
b) Provision made	438.39	357.18	286.09	95.58
Sub Standard Assets				
a) Total outstanding amount	1,650.28	842.60	586.05	263.94
b) Provision made	476.56	550.71	175.54	107.50
Doubtful Assets - 1				
a) Total outstanding amount	455.08	350.32	142.52	127.33
b) Provision made	174.11	236.11	54.43	51.86
Doubtful Assets - 2				
a) Total outstanding amount	237.07	13.11	59.03	10.02
b) Provision made	139.63	8.83	31.40	4.08
Doubtful Assets - 3				
a) Total outstanding amount	-	-	15.18	14.13
b) Provision made	-	-	15.18	5.76
Loss Assets				
a) Total outstanding amount	-	-	-	-
b) Provision made	-	-	-	-
Total				
a) Total outstanding amount	1,72,079.64	1,47,326.32	72,486.37	57,457.35
b) Provision made	1,228.68	1,152.83	562.63	264.78

- 71.1 The total outstanding amount reported are before EIR and ECL adjustments.
- 71.2 Balance outstanding is inclusive of respective loans towards insurance

- 72 **Draw down from reserves**
During the year, the Company has not withdrawn any sum from its reserves.

- 73 **Foreign currency exposure and transaction**
a) Earnings in Foreign Currency during the year is Nil (31 March 2024: Nil)

b) Expenditure in Foreign Currency

Particulars	As on 31 March 2025	As on 31 March 2024
Finance cost	3,024.16	2,471.80

c) Foreign currency exposure

Particulars	As on 31 March 2025	As on 31 March 2024
Borrowings (other than debt securities)	27,795.61	16,435.56

- 74 **Concentration of loans and advances**

Particulars	As on 31 March 2025	As on 31 March 2024
Total loans and advances to twenty largest Borrowers	1,390.90	1,143.89
Percentage of loans and advances to twenty largest borrowers to total advances of the HFC.	0.57%	0.56%

- 75 **Concentration of all exposures (including off-balance sheet exposures)**

Particulars	As on 31 March 2025	As on 31 March 2024
Total exposures to twenty largest borrowers	1,486.01	1,146.54
Percentage of exposures to twenty largest borrowers to total exposures of the HFC	0.55%	0.54%

76 Concentration of NPAs

Particulars	As on 31 March 2025	As on 31 March 2024
Total exposure to top ten NPA accounts	388.14	239.93

77 Sector wise NPAs

Sector	Percentage of NPAs to total advances in that sector	
	As at March 31 2025	As at March 31 2024
A. Housing Loans		
1. Individuals	1.36%	0.82%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others	-	-
B. Non Housing Loans		
1. Individuals	1.11%	0.72%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others	-	-

78 Movement of NPAs

Particulars	As on 31 March 2025	As on 31 March 2024
(I) Net NPAs to net advances** (in %)	0.73%	0.32%
(II) Movement of NPAs (Gross)		
a) Opening balance	1,621.45	1,263.72
b) Additions during the year	2,206.50	1,049.85
c) Reductions during the year	682.73	692.12
e) Closing balance	3,145.21	1,621.45
(III) Movement in Net NPAs**		
a) Opening balance	656.60	404.79
b) Additions during the year	1,298.20	425.78
c) Reductions during the year	191.72	173.97
e) Closing balance	1,763.08	656.60
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	964.85	858.93
b) Provisions made during the year	908.29	624.07
c) Write-off/write-back of excess provisions	491.01	518.15
d) Closing balance	1,382.14	964.85

**Net advances represents loan assets net of provisions, before EIR adjustment.

79 Disclosure pursuant to RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24,2021

Details of loans (not in default) transferred through assignment

	31-Mar-25		31-Mar-24
Number of accounts assigned through Direct Assignment	1029	216	-
Amount of loan account assigned (Rs. In Lakh)	7,384.48	2,585.20	-
Retention of beneficial economic interest (MRR)*	10%	20%	-
Weighted average residual maturity (in months)	126.90	144.72	-
Weighted average holding period (in months)	16.65	19.2	-
Coverage of tangible security	100%	100%	-
Rating-wise distribution of rated loans	Unrated	Unrated	-

* Retained by Originator

80 Overseas Assets

Company does not have any overseas assets.

81 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Company has not sponsored any SPV.

82 Details of customers complaints

Particulars	As at 31 March, 2025	As at 31 March, 2024
No. of complaints pending at the beginning of the year	1	-
No. of complaints received during the year	257	296
No. of complaints redressed during the year	251	295
No. of complaints pending at the end of the year	7	1

The company is not included under the "Reserve Bank-Integrated ombudsman Scheme, 2021"and hence the details of maintainable complaints received by the Company from office of ombudsman is not applicable

Top grounds of complaints received by the Company from customers

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	%increase/(decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
For the year ended March 31, 2025					
Documents Related	-	16	-16%	-	-
Loan Processing Related	-	147	-40%	-	-
Loan Settlement Related	1	12	100%	-	-
Policy Related	-	82	228%	7	4
Miscellaneous	-	0	0%	-	-
Grand Total	1	257	-13%	-	-
For the year ended March 31, 2024					
Documents Related	1	19	19%	-	-
Loan Processing Related	-	246	98%	-	-
Loan Settlement Related	-	6	50%	1	1
Policy Related	-	25	39%	-	-
Miscellaneous	-	0	0%	-	-
Grand Total	1	296	83%	-	-

- 83 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 84 **Breach of covenant**
The company has been generally regular in complying with the covenants in respect of loans availed or debt securities issued during the financial years ended 31 March, 2025 and 31 March, 2024. There were no instances of default or breach of covenants of material nature during the reporting period.

- 85 **Divergence in Asset Classification and Provisioning**

The NHB/RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2025, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

- 86 **Intra-group exposures**

Particulars	As at 31 March, 2025	As at 31 March, 2024
Total amount of intra-group exposures	4.50	4.50
Total amount of top 20 intra-group exposures	4.50	4.50
Percentage of intra-group exposures to total exposure of the Company on borrowers/ customers	0.00%	0.00%

- 87 **Outstanding against the gold loan/Jewellery**

Particulars	As at 31 March, 2025	As at 31 March, 2024
Outstanding Loans granted against the collateral gold jewellery	-	-
% of above to total outstanding loans	-	-

- 88 **Loans to Directors, Senior Officers and relatives of Directors**

Disclosure pursuant to RBI notification RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022.

Aggregate amount of sanctioned loans and advances	Year ended 31 March 2025	Year ended 31 March 2024
i) Directors and their relatives	-	-
ii) Entities associated with directors and their relatives	-	-
iii) Senior Officers and their relatives	-	-

- 89 **Instances of fraud**

No cases of fraud were reported during the financial year 2024-25 (FY 2023-24 -Nil)

- 90 **Resolution Framework for Covid 19 related Stress**

Pursuant to Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses vide DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021, company extended resolution to 63 borrowers aggregating to Rs.433.85 lakhs under the said framework. Company has created adequate provision in relation to these customers as per the directions.

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	256.06	4.15	-	45.21	206.70
Corporate Persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	256.06	4.15	-	45.21	206.70

91 Previous year's figures have been regrouped and reclassified, wherever necessary to conform to current year's presentation / classification.

For Chaturvedi & Co LLP
Chartered Accountants
(Firm Registration No. 302137E/ E300286)

For and on behalf of the Board of Directors of
Muthoot Housing Finance Company Limited

SD/-
S.N. Chaturvedi
(Partner)
Membership No. 040479
Place : Mumbai

SD/-
Thomas Muthoot
Director
DIN: 00082099
Place : Kochi

SD/-
Thomas George Muthoot
Director
DIN: 00011552
Place : Kochi

SD/-
Thomas John Muthoot
Director
DIN: 00011618
Place : Kochi

Date : 7 May 2025

SD/-
Suzana Muthoot
Whole-time Director
DIN: 09792874
Place : Kochi

SD/-
Pavan Kumar Gupta
Chief Executive Officer
Place : Mumbai

SD/-
Yogesh Udhoji
Chief Financial Officer
Place : Kochi

SD/-
S. Sumesh
Company Secretary
Place : Kochi

MUTHOOT HOUSING FINANCE COMPANY LIMITED

CIN: U65922KL2010PLC025624

Registered Office: Muthoot Centre, Punnen Road, Trivandrum – 695 039

Tel : +91 471- 2331427 Fax: +91 471 2331560 ,Email : sumesh.s@muthoot.com

website www.muthoothousing.com

Form No. MGT-11

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Venue of the meeting : Muthoot Housing Finance Company Ltd, Muthoot Centre,
Punnen Road, Trivandrum – 695 039

Date & Time : August 20 ,2025 at 11AM

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No./ Client ID :

DP ID :

I/We, being the Member(s) of equity shares of Rs. 10 each of
Muthoot Housing Finance Company Limited, hereby appoint:

1. Name :2. Name : 3. Name :

E-mail Id: E-mail Id: E-mail Id:

Address : Address: Address:

Signature:..... Signature:..... Signature:.....

or failing him/her

or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th
Annual General Meeting of the Company will be held at 11am on Wednesday the 20th Day
of August ,2025 at the Registered Office of the Company at Muthoot Centre, Punnen Road,
Trivandrum-695039 and at any adjournment(s) thereof, in respect of the resolutions, as
indicated below:

Resolution Numbers	Particulars of Business		
	Ordinary Business	For	Against
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 st March 2025 and the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information together with the Reports of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Thomas Muthoot, Director (DIN: 00082099) retiring by rotation and being eligible, offers himself for re-appointment.		
	Special Business		
3.	Preferential issue and Allotment of Equity Shares		

Signature of Shareholder..... Signature of Proxy holder(s).

Signed this day of 2025

AFFIX
Revenue
Stamp of
Re. 1

Note:

- This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*
- It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'for' or 'against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.*

