



Date: 25th April, 2026

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

Dear Sir/Madam,

Sub: Intimation under Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 51(2) read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Reserve Bank of India ('RBI') has imposed a monetary penalty of ₹80,000 (Rupees Eighty Thousand) vide its order dated 24th April 2026. The penalty has been levied on account of non-compliance with RBI's Fair Practice Code directions, specifically for not ensuring that the approach for risk gradation and the rationale for charging different rates of interest to various categories of borrowers were disclosed to customers in the application forms and clearly communicated in the sanction letters.

Copy of RBI order, dated 24th April, 2026, imposing the penalty is enclosed for your information.

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

Thanking you

Yours faithfully
For MUTHOOT HOUSING FINANCE COMPANY LIMITED

Sumesh. S
Compliance Officer & Company Secretary



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

बेटी बचाओ
बेटी पढ़ाओ

गोपनीय

CONFIDENTIAL

सीओ.ईएनएफडी.डीईएनबीएफसी.सं.S43/02-14-323/2026-2027

CO.ENFD.DENBFC.No.S43/02-14-323/2026-2027

24 अप्रैल 2026

April 24, 2026

अध्यक्ष

मुथूट हाउसिंग फाइनेंस कंपनी लिमिटेड
12A-01, 13वीं मंजिल, परिणी क्रसेन्ज़ो
सी 38-39, ब्लॉक जी, बांद्रा कुर्ला कॉम्प्लेक्स
बांद्रा पूर्व
मुंबई - 400 051

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

महोदय,

Dear Sir,

राष्ट्रीय आवास बैंक अधिनियम, 1987 की धारा 52क - 31 मार्च, 2025 की वित्तीय स्थिति पर संबिधिक निरिक्षण के दौरान पाए गए भारतीय रिज़र्व बैंक के निर्देशों का उल्लंघन

Section 52A of the National Housing Bank Act, 1987 - Violation of RBI directions observed during statutory inspection with reference to company's financial position as on March 31, 2025

कृपया दिनांक 10 मार्च 2026 के कारण बताओ नोटिस संख्या S746/02-14-323/2025-2026, उसके लिए दिया गया दिनांक 31 मार्च 2026 का आपका उत्तर; 8 अप्रैल तथा 9 अप्रैल, 2026 को ईमेल के माध्यम से भेजे गए अतिरिक्त जानकारी, तथा 10 अप्रैल 2026 को संपन्न वैयक्तिक सुनवाई की कार्यवाही का संदर्भ लें।

Please refer to the Show Cause Notice No. S746/02-14-323/2025-2026 dated March 10, 2026, your reply thereto *vide* letter dated March 31, 2026, additional information submitted *vide* its emails dated April 8, 2026 and April 9, 2026 and proceedings of the personal hearing conducted on April 10, 2026.

2. इस मामले में अधिनिर्णय समिति द्वारा पारित आदेश की मूल प्रति इसके साथ संलग्न है।

2. The Order passed by the Adjudication Committee in the matter is enclosed herewith, in original.

3. कृपया दंड की राशि केवल एनईएफटी के माध्यम से भारतीय रिज़र्व बैंक को भेजे एवं उक्त की पुष्टि cgmincefdco@rbi.org.in, rjkanth@rbi.org.in तथा jpdoley@rbi.org.in पर ईमेल द्वारा प्रेषित करें। इस हेतु अपेक्षित विवरण नीचे दिया गया है:

3. The amount of penalty imposed therein shall be remitted to RBI through **NEFT only** and a confirmation of the same may please be sent by e-mail to cgmincefdco@rbi.org.in, rjkanth@rbi.org.in and jpdoley@rbi.org.in. The requisite details are as under:



खाते का नाम : Enforcement Department
खाता सं. : 4140200100103191
आईएफएससी कोड: RBIS0COD001
कृपया लेनदेन के प्रयोजन में – "Penalty - Enforcement Department - Central Office" उल्लेख करें।

A/c Name : Enforcement Department
Account No. : 4140200100103191
IFSC Code : RBIS0COD001
Description of transaction should be "Penalty - Enforcement Department - Central Office".

दंड की राशि प्रेषित करने के तुरंत बाद, उपरोक्त ईमेल आईडी पर इस बारे में अतिरिक्त विवरण की जानकारी, जैसे- प्रेषण की तिथि, यूटीआर संख्या एवं प्रेषित राशि, अग्रेषित करें।

Immediately after the penalty amount is remitted, you are advised to forward further details of the same i.e. date of remittance, UTR Number and amount remitted, to the above email IDs.


4. यह आदेश पूर्ण गोपनीयता के साथ जारी किया गया है और इसे किसी अन्य व्यक्ति / प्राधिकरण के साथ साझा नहीं किया जाना चाहिए अथवा जब तक कि किसी कानून द्वारा या उसके अंतर्गत विशेष रूप से आवश्यक न हो, किसी अन्य तरीके से खुलासा या प्रकाशित नहीं किया जाए।

4. The Order is issued in strict confidence and it should not be shared with any other person / authority or disclosed or published in any other manner, unless specifically required by or under any law.

5. इस पत्र की प्राप्ति की जानकारी हमें cgmincefdco@rbi.org.in, rjkanth@rbi.org.in तथा jpdoley@rbi.org.in पर ईमेल द्वारा प्रेषित करें।

5. Please acknowledge receipt of this letter by e-mail at cgmincefdco@rbi.org.in, rjkanth@rbi.org.in and jpdoley@rbi.org.in

भवदीय / Yours faithfully,


(राजेश जय कंठ) / (Rajesh Jai Kanth)
महाप्रबंधक / General Manager

अनुलग्नक : यथोक्त / Encl: As above



भारतीय रिज़र्व बैंक / RESERVE BANK OF INDIA
प्रवर्तन विभाग / ENFORCEMENT DEPARTMENT
केन्द्रीय कार्यालय / CENTRAL OFFICE

BEFORE THE ADJUDICATION COMMITTEE, RESERVE BANK OF INDIA

IN THE MATTER OF

Non-compliance with the statutory directions by Muthoot Housing Finance Company Limited observed with respect to its financial position as on March 31, 2025

The Reserve Bank of India, in exercise of the powers conferred under Section 52A of the National Housing Bank Act, 1987, passes the following

ORDER

Background

The statutory inspection of Muthoot Housing Finance Company Limited (the company) was conducted by the National Housing Bank (NHB) between October 1, 2025 and October 10, 2025 with reference to its financial position as on March 31, 2025. The Inspection Report pertaining thereto (IR) revealed, *inter alia*, non-compliance with the directions issued by the Reserve Bank of India (the Bank) on 'Fair Practice Code'. The supervisory concerns, arising out of the findings thereof, were communicated to the company *vide* NHB's letter No. MRO/DOS/DOC/2025/04956 dated December 9, 2025.

2. Based on the above, a Show Cause Notice No. S746/02-14-323/2025-2026 dated March 10, 2026 (SCN) was issued to the company by the Bank, calling upon it to show cause, in writing, as to why the maximum penalty stipulated under Section 52A of the National Housing Bank Act, 1987 (NHB Act) should not be imposed upon the company for non-compliance with the aforementioned directions issued by the Bank, as stated therein.

3. The company, *vide* its email dated March 31, 2026, submitted its reply to the SCN. The company, *vide* its emails dated April 8, 2026, and April 9, 2026, submitted additional information. An opportunity of Personal Hearing (PH) was also accorded to the company upon its request. The representatives of the company (**Annex**) made oral submissions during the PH held on April 10, 2026, before the Adjudication Committee of Executive Directors (AC) comprising the undersigned.





4. All the records pertaining to the matter placed before the AC, including the company's written submission made *vide* letter dated March 31, 2026 in reply to the SCN, additional information submitted *vide* its emails dated April 8, 2026 and April 9, 2026, and oral submissions made during the PH on April 10, 2026 were duly considered and evaluation of the regulations and facts, findings arising therefrom and conclusion of the AC thereon, are as follows:

4.1. Charge – Failure to disclose the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers, to its customer or borrower in the application forms and sanction letters

4.1.1 Charge in the SCN

"The company failed to comply with the Bank's directions on 'Fair Practice Code', when it did not disclose the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers, to its customer or borrower in the application forms and also did not communicate the same explicitly in the sanction letters.

(Copies of ten sample loan application forms and corresponding ten sample sanction letters issued by the company to its borrowers are enclosed as Annex)"

4.1.2 Submissions by the company

4.1.2.1 The company, *vide* letter dated March 31, 2026, in its reply to the SCN, submitted, *inter alia*, as under:

(i) *"The Board-approved Interest Rate Policy (approved by the Board of Directors in its meeting held on 5th Feb 2025), which includes the provisions relating to the risk gradation framework for determination of Rate of Interest (ROI), was always placed on the Company's official website under download section and is publicly accessible to customers and other stakeholders. The url for the same is as under: <https://muthoothousing.com/policies/>."*

(ii) *"As may be seen from the enclosed policy, it clearly specifies that the rate of interest charged to borrowers is determined based on various relevant factors, including but not limited to:*

- *Cost of funds*
- *Risk profile of the borrower*
- *Loan-to-Value (LTV) ratio*
- *Credit score and repayment behaviour*
- *Nature and tenure of the loan*

• *Market conditions and other business considerations*





(iii) "The Company ensures that the applicable interest rate and other loan terms are communicated transparently to customers at various stages of the loan lifecycle:

2.1 At the time of loan application / login: Customers are informed about the applicable interest rate and the factors influencing loan pricing. A copy of the loan application form is enclosed as Annexure-II for your kind perusal.

2.2 At the time of sanction: The sanction letter issued to the borrower clearly specifies the applicable rate of interest and key terms and conditions of the loan. A sample sanction letter is enclosed as Annexure-III for your kind perusal.

2.3 Branch level disclosure: In addition to digital disclosure, the Interest Rate Policy and key aspects of the interest rate framework are also displayed on the notice boards of all the branches of the Company, enabling customers visiting the branches to have easy access to such information.

2.4 Customer interaction: During the loan processing stage, the Company's officials explain the loan pricing and relevant terms to the borrowers to ensure clarity and transparency.

The Company respectfully submits that the interest rate applicable to each borrower was clearly specified in the sanction letter and loan agreement, and therefore there was no financial or informational prejudice caused to customers."

(iv) "Without prejudice to the above submissions, the Company has taken immediate steps to further strengthen disclosure practices, including:

a) Updated the loan application forms to include reference to the risk-based pricing approach and availability of the Interest Rate Policy on the website. A copy enclosed for your ready reference, marked as Annexure-IV.

b) Enhanced the sanction letter format to provide clearer disclosure regarding the interest rate determination framework. A copy enclosed for your ready reference, marked as Annexure-V.

c) Strengthening internal compliance review processes to ensure continued alignment with regulatory requirements.

d) The Company had intimated all customers to whom disbursements were made on or after 1st April 2025, through email / SMS / letter, by issuing an addendum to the sanction letter incorporating details of the gradation of risk-based pricing. The total number of customers intimated are 7894."

4.1.2.2 During the PH held on April 10, 2026, the company reiterated its above submissions.

4.1.2.3 The company, vide its email dated April 8, 2026, submitted that on March 26, 2026 it had intimated all customers to whom disbursements were made on or after April 1, 2025, through email





/ SMS / letter, by issuing an addendum to the sanction letter incorporating details of the gradation of risk-based pricing.

The company, *vide* its email dated April 9, 2026, submitted 3 sample copies of updated application forms dated March 16, March 21, March 22, 2026, and sanction letters dated March 28 and March 31, 2026 issued to its customers.

The company also submitted 3 sample copies of emails dated March 26, 2026, and 10 SMS records of delivery date March 27, 2026, evidencing issuance of an addendum to the sanction letter incorporating details of the gradation of risk-based pricing, sent to 7,894 customers.

4.1.3 Evaluation of regulations and facts

4.1.3.1 (i) Paragraph 80.1 of Chapter XIII of the Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (issued *vide* Circular No. DoR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 and updated as on March 21, 2024) (hereinafter referred to as Bank's directions), mandated that:

"80. Regulation of excessive interest charged by HFCs

80.1. The Board of each HFC shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The Board of the HFC shall also have clearly laid down policy for penal interest / charges (if any)."

The regulatory requirement stated above has been continued *vide* Paragraph Nos. 22 and 107 of Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 (issued *vide* RBI Circular DOR.MCS.REC.No.281/01-01-039/2025-26 dated November 28, 2025)

4.1.3.2 Ten sample copies of loan application forms along with corresponding ten sanction letters issued by the company to its customers were forwarded to the company along with SCN.

4.1.4 Findings

4.1.4.1 The Bank's directions mandate that the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.





4.1.4.2 While the sample loan application form furnished by the company at Annexure II of the reply to SCN discloses the applicable fees and other charges related to the loan, the loan application at Annexure II and the Sanction letter provided by the company at Annexure III of the reply to SCN (both of which are prior to updation) do not make any mention of the factors/parameters that are taken into account to determine the interest rate i.e the rationale for charging different rate of interest for different categories of borrowers or their approach to gradation of risk.

4.1.4.3 The company has itself submitted that it has taken steps to strengthen disclosure practices and updated its loan application form (sample provided at Annex IV of its reply to SCN) and also updated its sanction letter to include the reference to gradation of risk and interest rate policy available on website. Updating of the loan application form and sanction letter to include reference to the risk-based pricing approach and availability of the Interest Rate Policy on the website indicates that the company was not fully compliant with the regulatory requirement in this regard and does not absolve the company of the alleged non-compliance.

4.1.4.4 Along with the SCN, the Bank had enclosed ten sample copies of loan application forms along with corresponding ten sanction letters, wherein the company had not disclosed to its customer/borrower, the approach for gradation of risk and the rationale for charging different rate of interest to different categories of borrowers. The company, in its reply to SCN, has not contested the specific instances of violation cited in the SCN or given any explanation regarding the same. The company has not made any specific submission that the approach to gradation of risk was provided in the loan application in the instances cited in the SCN. As regards the company's submission that the factors influencing loan pricing were provided in the loan application, the sample of loan application provided by the company at Annex II does not contain any such reference.

4.1.4.3 The company has submitted that it had intimated all 7,894 customers to whom disbursements were made on or after April 1, 2025, through email / SMS / letter, by issuing an addendum to the sanction letter incorporating details of the gradation of risk-based pricing. Further, the company *vide* its email dated April 8 and 9, 2026 has provided samples of emails dated March 26, 2026 and samples of SMS dated March 27, 2026 which reveals that the corrective measures have been taken post issuance of the SCN on March 10, 2026. The company's reference to the corrective action taken by it does not absolve it from having violated the Bank's directions referred to above.





4.1.5 Conclusion

Based on the findings given in Paragraphs 4.1.4 above, the AC concludes that to the extent the company, failed to ensure that the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers was disclosed to the borrower or customer in the application forms and communicated explicitly in the sanction letters, it contravened the Bank's directions on 'Fair Practice Code', which warrants imposition of monetary penalty.

Order

5. If any person (other than an auditor) or housing finance institution which is a company fails to comply with any direction given or any order made by the Bank under any of the provisions of Chapter V of the NHB Act, then the Bank may, in terms of Section 52A of the NHB Act, impose on such person or housing finance institution, for a contravention or default committed before January 22, 2024, a penalty not exceeding five lakh rupees or twice the amount involved in such contravention or default, where the amount is quantifiable, whichever is more; and where such contravention or default is a continuing one, further penalty which may extend to twenty five thousand rupees for every day, after the first day, during which the contravention or default continues. If any person (other than an auditor) or a housing finance institution which is a company fails to comply with any direction given or any order made by the Bank under any of the provisions of Chapter V of the NHB Act, after January 22, 2024, then the Bank may, in terms of Section 52A of the NHB Act, impose on such person or housing finance institution, a penalty not exceeding ten lakh rupees or twice the amount involved in such contravention or default, where the amount is quantifiable, whichever is more; and where such contravention or default is a continuing one, further penalty which may extend to one lakh rupees for every day, after the first day, during which the contravention or default continues.

6. In view of the failure of the company to comply with the directions issued by the Bank as concluded in Paragraphs 4.1.5 hereinabove, it is decided to impose on the company a monetary penalty of **₹80 thousand (Rupees Eighty thousand only)** for failure to ensure that the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers was disclosed to its borrower or customer in the application forms and communicated explicitly in the sanction letters.

7. Accordingly, in exercise of the powers conferred under Section 52A of the National Housing Bank Act, 1987, a penalty of **₹80 thousand (Rupees Eighty thousand only)** is hereby imposed on Muthoot Housing Finance Company Limited and the company is directed to pay the said penalty of ₹80 thousand (Rupees Eighty thousand only) within **thirty (30) days** from the date of receipt of

this Order.

Speaking Order – Muthoot Housing Finance Company Limited





8. A copy of this order be served on the Chairman of the company for due compliance. The imposition of penalty is without prejudice to such other action as the Bank may consider necessary.

R. Kesavan

(Kesavan Ramachandran)
Executive Director

Charulatha S. Kar

(Charulatha S. Kar)
Executive Director

Ajay Kumar

(Ajay Kumar)
Executive Director

21 APR 2026

Mumbai

List of representatives of Muthoot Housing Finance Company Limited present in Personal Hearing held on April 10, 2026

Sr. No.	Name of the company representatives	Designation
1.	Shri Thomas John Muthoot	Chairman
2.	Smt. Suzannah Muthoot	Whole-Time Director
3.	Shri Yogesh Udhoji	Chief Financial Officer
4.	Shri Jailendra Shukla	Chief Compliance Officer
5.	Shri Sumesh S	Company Secretary

