TransformingYour Dreams to Reality



ANNUAL REPORT 2021-22 MUTHOOT HOMEFIN (INDIA) LIMITED



Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written or oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized although we believe we have been prudent in our assumptions. The achievements of the results are subject to risk, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind we undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or



Our Promoters – The Muthoot Group*

The Muthoot Group was founded in 1887 by Late Shri Ninan Mathai Muthoot in the remote village of Kozhencherry in Kerala. Today, the Muthoot Group has established for itself a formidable reputation and has garnered the trust of millions of customers. The success of the Group has its roots in its concern for the society and unceasing acts of altruism, the commitment and hard work put in by its 40,000 strong workforce and the trust of its millions of loyal customers

Each day, we strive to keep our values and ethics intact to serve our customers with services of utmost quality, ensure a sustainable existence and rise up to contribute to the building of our nation

The Muthoot Group is home to 20 diversified business divisions and 5,330+ branches with a global presence across USA, UK, UAE, Central America, Sri Lanka and Nepal

Over the past 135 years, the Group has reached out to millions of underserved Indians leading to financial inclusion even in the most remote and rural areas of the country. Over the years, the Group has become a diversified business house with presence in financial services, plantations and estates, education, leisure and hospitality, healthcare, housing and infrastructure, information technology, wealth management, money remittance, forex, media, power generation, precious metal, securities, vehicle and asset finance and travel services among others. The Muthoot Group has not only grown exponentially but has also facilitated growth for a sizeable population of the country that falls in the underprivileged category

(* refers to entities promoted by Late Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot, operating under the brand name "The Muthoot Group")



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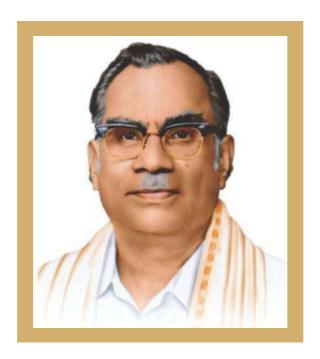
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Tribute to the Visionary

Our founder, **Shri M George Muthoot**, envisioned the prospects of affordable financial services in India long back in 1939. His deep business insight and strong vision helped transform India's gold loan business. Guided by his values, we have strengthened our reputation over the years and established ourselves as a trusted pan-India brand.



Unchanging values...in changing times

"Let us not judge ourselves by the profit we make but by the trust and the confidence that people have in us. Let us cherish and nurture that trust and ensure that every person who deals with us, deals with the confidence that he will not be misguided but his interests will be carefully protected."

- Late Shri M. George Muthoot Founder Chairman - Banking (1911 - 1993)

Man with a golden heart





Our visionary Chairman, Shri M.G. George Muthoot, passed away on March 5, 2021. He was one of the First Directors of Muthoot Homefin (India) Limited (MHIL) and had served on the Board of the Company till August 2019. He was instrumental in making Muthoot Finance Limited, Promoter of MHIL, a pan-India Company and the largest gold loan NBFC in India.

Shri M. G. George Muthoot, a graduate in Mechanical Engineering from Manipal Institute of Technology, attended various Executive Management Courses at the Harvard Business School. He joined the family business at a young age and assumed the position of Managing Director of the Muthoot Group in 1979. He took over as the Chairman of the Group in 1993. Under his strategic leadership, The Muthoot Group widened its scope of operations and turned into a business conglomerate comprising of 20 diversified business divisions with a widespread presence across India and overseas.

He was conferred with numerous national and international awards, including the 'AIMA Emerging Business Leader of the Year Award' by the Honourable Union Minister of Home Affairs - Shri Rajnath Singh and the 'Distinguished and Outstanding Alumnus of the Year Award' by the Manipal University to name a few. Some of the other awards include the Lifestyle Icon of the Year, Skoch Financial Inclusion Award, Golden Peacock Award for Excellence in Business Leadership, Corporate Governance, HR and CSR and the NRI Bharat Samman Award

He also served as the National Executive Committee Member of FICCI and held the coveted position of Chairman in the Kerala State Council. He also served as the Lay Trustee of the Malankara Orthodox Syrian Church for a period of 10 years.

He was not only a successful businessman, but a committed philanthropist and community leader. His initiatives in the field of education, healthcare, and community welfare benefited millions of marginalized people across various spheres of life. His untimely demise is an irreparable loss to everyone who knew him, including his family, employees, stakeholders, the people of Kerala and the entire nation. He will live on in our memories as the 'Man with a Golden Heart'.

CORE VALUES OF THE MUTHOOT GROUP

While at The Muthoot Group we believe in continuous progress and development, what has remained unchanged is our belief in the culture of trust.

The following are the fundamental principles that make the core values imbibed and reflected in our culture, operations and agendas

Ethics

Our main aim is to put the needs of the customer first before anything else. We strive to provide you with the best quality of service under the Muthoot Brand Umbrella and we do the same with a smile.

Values

Accountability for all our operations and services and towards the society makes us a socially responsible and intelligent citizen. Our empire has grown leaps and bounds on the basis of these values. The times may change, but our values will remain unchanged.

Reliability

With an unblemished track record throughout the markets we serve; and across national as well as global boundaries, Muthoot Group values its commitment to customer-service.

Dependability

We do not judge ourselves by the profit we make but by the trust and confidence that people have shown in us for the past 130+ years. Over 7 million people have turned to us for help in their hour of need just because of this guiding principal of ours.

Trustworthiness

We pledge loyalty in our operations, fairness in our dealings and openness in our practices. At the Muthoot Group, we embrace policies and practices that fortify trust.

Integrity

The value is innate to a corruption-free atmosphere and an open work culture. We at the Muthoot Group therefore cultivate transparency as a work ethic.

Goodwill

Muthoot Group serves millions of customers across the country. With an unmatched goodwill, the Company shoulders the responsibility of providing its customers services of the highest quality.



Aspirations of our customers drive us and help us deliver on our stakeholder commitments

A growing economy with a huge aspirational population is creating more and more opportunities for us. At the same time, Government push for the affordable housing is quietly changing the rules of the game, widening the canvas for home buyers.

At Muthoot Homefin, we are expanding the scale and scope of the business at a time of interesting change. And the year gone by, saw us continue our rich tradition of value creation by implementing multiple initiatives.

During the year, we strengthened our position as one of the most preferred and trusted home loan players in the markets we serve.

Our role is to connect the dreams of New India with emerging opportunities, which will take the country to a new trajectory of growth.

Today, we are fast growing affordable housing finance company in terms of loan portfolio. As part of our core business, we provide home loans to Lower Middle Income (LMI) and Economically Weaker section (EWS).

We primarily cater to home buyers who cannot access formal credit within a reasonable time, or for whom credit may not be available at all. We help our customers meet their dream of owning their own home.



Key Highlights























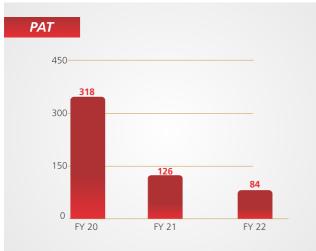


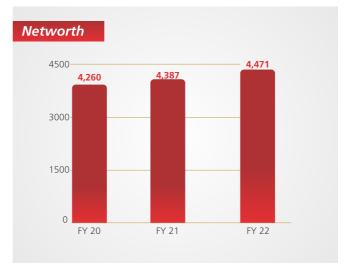
Key Performance Indicators

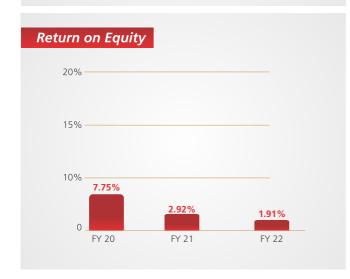
₹ in millions

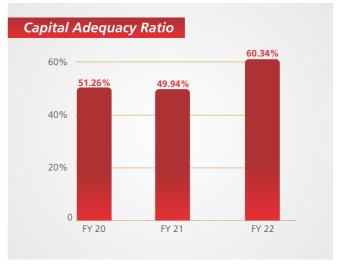
















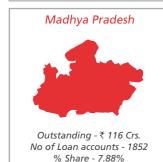
Assets under Management (AUM) Analysis



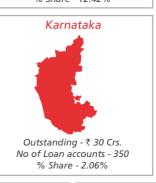


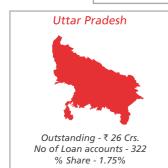
% Share - 22.79%







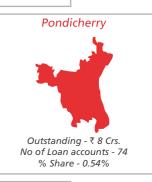


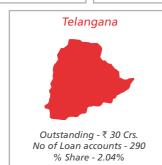




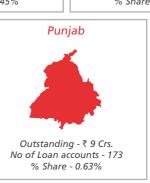
% Share - 1.45%

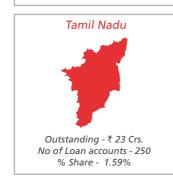
















Board of Directors



Mr. George Thomas Muthoot (Non-Executive Director)

- Businessman by profession
- 45+ years' experience in managing businesses operations in the field of financial services.
- Sustainable Leadership Award 2014 by the CSR Congress in the individual



Mr. George Alexander Muthoot (Non-Executive Director)

- Qualified Chartered Accountant; ranked first in Kerala and 20th in India in 1978Bachelor's degree in Commerce with a gold medal from Kerala University
- 40+ years' experience in managing business in the field of financial services
- Served as Chairman of Kerala Non Banking Finance Companies' Welfare Association from 2004 – 2007
- Former Member Secretary of Finance Companies Association, Chennai.
- Currently, President of Association of Gold Loan Companies in India
- Active member of Confederation of Indian Industry (CII)
- 'CA Business Leader Award' under Financial Services Sector from the Institute of Chartered Accountants of India for 2013
- Times of India group Business Excellence Award in Customised Financial Services in March 2009



Mr. Eapen Alexander Muthoot (Whole Time Director)

- MBA from the Fugua School of Business at Duke University, USA.,
- MSc. in International Political Economy from the London School of Economics,
- B.A Economics (Honours) from St. Xavier's College, Mumbai University.
- Currently heading the Housing Finance and Vehicle Finance verticals of The Muthoot Group, Eapen plans to expand and leverage the Group's brand and infrastructure into new product lines
- Director in CRIF High Mark Credit Information Services Private Limited, a RBI licensed credit information bureau
- Prior to joining Muthoot, worked with ICRA Limited, a leading credit rating agency in India.





Board of Directors



Mr. K R Bijimon (Non-Executive Director)

- Fellow Member of the Institute of Chartered Accountants of India
- Bachelor's Degree in Law (LLB), a Bachelor's Degree in Science (BSc) and a Master's Degree in Business Administration (MBA).
- Certified Associate of the Indian Institute of Bankers (CAIIB) and a Fellow Member of Certified Management Accountants (FCMA), Institute of Sri Lanka
- 25+ years' experience in the field of financial services
- Chief General Manager of Muthoot Finance Limited
- Chief Operating Officer for the global operations of Muthoot Group (and manages the Global Operations Division of the Muthoot Group (USA, UK, UAE, Hong Kong, Singapore and Sri Lanka).
- Presently, he also holds Directorship in companies like Belstar Microfinance Limited, Muthoot Money Limited, Muthoot Forex Ltd, Muthoot Securities Ltd, Muthoot Commodities Ltd and Asia Asset Finance PLC (Sri Lanka).



Mrs. Anna Alexander (Non-Executive Director)

- Bachelor's degree in Commerce.
- 20+ years' experience managing several financial service entities.



Mr. Jose Kurian (Independent Director)

- M. Tech. in Structural Engineering from Indian Institute of Technology, Delhi
- Post Graduate Diploma in Earthquake Engineering from the International Institute of Seismology and Earthquake Engineering, Japan.
- B. Tech. in Engineering, National Institute of Technology, Calicut, Kerala
- 45+ years' experience in Construction Project Management and Administration.
- Former President of the Indian Concrete Institute,
- Former Central Engineering Services officer belonging to the Central Public Works Department
- Currently working as Team Leader, CDM Smith India, Consultant to Govt. of Kerala for creating infrastructure for their Additional Skill Development Programme (ASAP).
- He has received the Lifetime Achievement Award 2016 from the Indian Concrete Institute, CIDC Viswakarma Public Officer Award 2011 and best paper medals from the Indian Roads Congress as well as the Indian Concrete Institute.

Board of Directors



Mr. V.C. James (Independent Director)

- Fellow member of the Institute of Chartered Accountants of India
- Bacherlor's degree in Chemistry from University of Kerala
- 38+ years' experience in the profession of Chartered Accountancy
- Former central council member of the Institute of Chartered Accountants of
- Former Chairman of Souther India Chartered Accountants, Chennai
- Currently, he is a senior partner at M/s Sankar & Moorthy, a leading chartered accountants' firm in Cochin.



Mr. Jacob K. Varghese (Independent Director)

- Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India
- 38+ years' experience in Indian and foreign taxation, auditing and indirect and direct tax laws and practicing in the name of J.K. Varghese & Co., Chartered Accountants in Mumbai from 1983
- He is a Board member and Treasurer of Haggai Institute-India
- Chairman of school managing committee of St. Mary's ICSE School, Koparkhairne, Navi Mumbai
- Trustee of Indira Institute of Business management, Sanpada, Navi Mumbai





Senior Management Team



Mr. Rajeev Khond (Chief Executive Officer)

Rajeev Khond has 36+ years' experience in banking. After joining SBI in 1985, he handled functions of IT, HR, Admin, Retail Banking, Home Loans, Operations, and Risk Management during his tenure. He was a Key Member of the founding team in SBI and Home Loan Business. His last assignment in SBI was General Manager Enterprise and Group Risk Management. He holds a Master's degree in Technology from Nagpur University and has done a Diploma in Industrial Management. He is a Certified Associate of the Indian Institute of Bankers and has undergone various Executive Training Courses at leading Management Schools like Harvard Business School, ISB-Hyderabad, and IIM-Ahmedabad. He was a guest faculty to NIBM-Pune and Center for Advanced Financial Research and Learning (CAFRAL).



Mr. Pandurang Kadam (Chief Financial Officer)

Pandurang Kadam is a Chartered Accountant having 12+ years' diversified experience with expertise in Finance. In his role as a Chief Financial Officer, he is responsible for fund raising, Finance and Accounts. Prior to joining MHIL, he was the Chief Financial Officer at India Home Loan Limited. He has also worked with the organisations such as IndoStar Capital Finance Limited, Karvy Financial Services and Anand Rathi Group.



Mr. Vikram Rooprai (Head – Sales)

Vikram Rooprai is a Retail Banking professional with a rich experience of 17+ years in Retail Asset Business, specifically in NBFC, Housing Finance & Mortgage Industry. He has expertise in Mortgage Business with hands on experience in Sales, Product and Risk Management with segment –specific and area-specific strategy. His experience in setting up the franchise and managing the sales activities with profitable responsibility has won him many accolades from companies like ICICI, ABN AMRO NV Bank, GEMoney, Fullerton India Credit Company Ltd., Reliance Capital Ltd., India Infoline Ltd. and Capri Global Housing Finance Ltd.



Mr. Prasad Bendre (Head - Operations & Collections)

Prasad Bendre is B.Com graduate and has done Diploma in Financial Management and Business Administration. He has done Management Development Programme from IIM (A). He possesses over 22 years of experience in Operations, Credit and Collections. Before joining MHIL, he was with Manappurram Home Finance, DHFL and IDBI Home Finance.



洛 Senior Management Team



Mr. Dhananjay Munshi (Head - Credit)

Dhananjay is a Mechanical Engineer and holds a Masters degree in marketing management from Mumbai University. He has work experience of 15+ years in mortgage industry with overall exposure to all the mortgage departments. He has expertise in the affordable loans segment where he has developed processes and systems to enable a robust credit module. Prior to joining MHIL, Dhananjay was working with Capri Global capital Ltd as a National credit manager and was responsible for credit underwriting and Process management of Affordable home loans and small ticket Loan against Property.



Mr. Deepu Thankachan (Head - Internal Audit)

Deepu Thankachan joined MHIL in July 2017 as Head - Internal Audit. He was associated with Muthoot Finance since February 2010. He holds Master degree in Commerce and a MBA in Finance & Marketing.



Mrs. Jinu Mathen (Company Secretary)

Jinu Mathen, an Associate Member of the Institute of Company Secretaries of India (ICSI), is a Commerce Graduate, and holds a Master's Degree in Business Administration from Sikkim Manipal University. Prior to joining MHIL in December 2014, she started her secretarial profession at M/s. SVJS & Associates, a top-notch practising firm of Company Secretaries, having its headquarters in Kochi and operating across the country. She was part of the core team of proficient corporate professionals, handling compliances and audits at various levels including Corporate laws, Finance laws, Regulatory compliances



Mr. Manish Mistry (Head -Risk Containment Unit)

Manish Mistry is a Commerce graduate with Executive MBA in Finance from University of Mumbai. He is a Retail Banking Professional with 12+ years of rich experience in RCU (Risk Containment Unit). His last assignment prior to joining MHIL was Essel Finance Business Loans Ltd; as FCU (Fraud Control Unit) Head for LAP (Loans Against Property) & Affordable Home Loans. He has also worked for companies like Capri Global Capital Ltd; Axis Bank and I Process Services India Pvt Ltd (For ICICI Bank)





Senior Management Team



Mr. Mrugesh Shukla (Head Corporate Legal)

Mrugesh Shukla is a Legal professional having rich experience of 14 years in Retail Asset Business, specifically in Banking NBFC & Housing Finance Mortgage Industry. He has expertise in Recovery and collection Legal with hands on experience in recovery of delinquent portfolio with effective use of Legal tools and strategies. His expertise in handling Legal portfolio and litigation has largely safeguard company interest to a large extent. It has caused major impact in company PL and market. He has worked with HDFC Bank, Indiabulls Housing Finance, DHFL and Mahindra Rural Housing Finance Ltd. And have won appreciation certificates from these companies for his outstanding achievements.



Mr. Praveen Kumar Singh (Head Collection)

Praveen Kumar Singh has an experience of 20 years specifically in NBFC, Housing Finance & Mortgage Industries. He has expertise in Housing finance and mortgage business with hands-on experience in Collection, Sales, Admin, Insurance, Recovery legal. He previously worked with institutions such as City Financial, Max Life and India Shelter Finance Corporation.



Ms. Gauri Joshi (Head-Business Legal)

Gauri Joshi has over 13 yrs of total experience in Legal Compliance. She has pursued her graduation from Mumbai University and holds a Masters degree in Law (Business Law) from Bharti Vidyapeeth Pune University. She was previously working with IIFL Home Finance Limited based at Mumbai where she was Heading Business Legal department. Prior to IIFL she has worked with HDFC bank and Shamrao Vithal Co- operative bank for Mumbai Location.



Mr. Anand Rajan (Head-Human Resource)

Anand Rajan holds a MBA Degree from Bharathiar University-Coimbatore. His previous stint was with Hinduja Leyland Finance. Anand carries with him total 15 years of rich experience. He has also worked for companies like Mahindra & Mahindra Finance, Sutherland Global Services, Safari Group & First American Corporation.

Statutory Reports



Report Of The Board Of Directors

Dear Members

Your Board of Directors is pleased to share with you the 11th Annual Report of Muthoot Homefin (India) Limited ("MHIL" or "Company") enumerating the business performance along with the Audited Financial Statements for the financial year ended March 31, 2022

Financial Summary

The financial performance of your Company for the year ended March 31, 2022 is summarized below

(₹in millions)

Particulars	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Revenue from Operations	2,046.45	2,403.17
Total income	2,136.85	2,446.42
Total Expenses	2,035.88	2,277.76
Profit Before Tax	100.97	168.66
Tax expenses	16.93	43.16
Profit for the period	84.04	125.50
Gross NPA (%)	2.93 %	4.85 %
Net NPA (%)	1.27 %	3.43 %
CRAR (%)	60.34 %	49.75 %
CRAR - Tier I Capital (%)	59.79 %	49.15 %
CRAR – Tier II Capital (%)	0.55 %	0.61%

Share Capital

During the financial year, there was no change in the capital structure of the Company. The capital structure of the Company as on March 31, 2022:

	Aggregate value
Authorised share capital	
150,000,000 Equity Shares of face value ₹10 each	1,500,000,000
Issued, subscribed and paid up Equity Share capital	
119,155,843 Equity Shares of face value ₹10 each	1,191,558,430

Management Discussion and Analysis Report

In accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Directions"), a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report (Annexure 1)

Dividend

With a view to conserving the resources of the Company and for building up its reserves and after considering the business plans of the Company for FY 2022-23, the Board of Directors do not recommend payment of dividend on equity shares for the year ended March 31, 2022

Transfer to Reserves

An amount of INR 16.81 million is transferred to the Special Reserve Fund for FY 2021-22, pursuant to Section 29C of the National Housing Bank Act, 1987. The statutory reserve balance as at March 31, 2022 is INR 335.50 million

State of affairs of the Company

Your Company is a retail affordable housing finance company

primarily serving low and middle-income self-employed customers in semi-urban and rural areas in India. It offers customers home loans for the purchase or construction of residential properties, and for the extension and repair of existing housing units. As of March 31, 2022, a majority of the home loans disbursed were for single unit properties, almost all of which were to be occupied by the borrowers themselves. A majority of its customers had limited access to formal banking credit.

The company disbursed INR 1,331 million during the year as compared to INR 1,010 million during the previous year. Despite slowdown in real estate market in some parts of the country and stiff competition from Banks & Housing Finance Companies, MHIL managed to deliver a fairly good performance. The Asset under Management (AUM) is INR 14,699 million as against AUM of INR 17,042 million in the previous year. During the year under consideration MHIL received subsidy of INR 557 million under PMAY CLSS Scheme. The customer profile continues to be dominated by the salaried and professional category, accounting for ~63% of the total portfolio. The average ticket size loan is ~INR 0.92 million. Your Company earned a total revenue of INR 2,046 million from its operations. Total expenses were reduced from INR 2,278 million in FY 2021 to INR 2,036 million in FY 2022. The profit after tax stood at INR 84 million as on March 31, 2022.



Change in the nature of business

During the year, there was no change in the nature of business of the Company.

Resource Mobilisation

Your Company's Resource Planning Policy has been approved by the Board. The Company has obtained approval for borrowings vide special resolution passed by shareholders at their Annual General Meeting held on August 08, 2019, under section 180(1) (c) and other applicable provisions of the Companies Act, 2013 and has authorised the Board of Directors to raise or borrow any sum or sums of money (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) not exceeding INR 50,000 million. Total borrowings as on March 31, 2022 was INR 7,642 million as compared to INR 11,772 million as at March 31, 2021. The details in respect of the funding sources of the Company is included in the Management Discussion and Analysis, which forms an integral part of this Annual Report.

Disclosure as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

- i) The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the nonconvertible debentures became due for redemption: NIL
- ii. The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such debentures become due for redemption: NIL.

Regulatory Guidelines and Statutory Compliances

Your Company has complied with the applicable statutory provisions including inter alia the Companies Act, 2013 and Rules made thereunder, Income Tax Act, 1961, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Directions") and various circulars, notifications, directions and guidelines issued by NHB / RBI from time to time and all other laws as may be applicable to the Company. Your Company has also complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India. Circulars and Notifications issued by regulators were also placed before the Board of Directors at regular intervals to update the Board members on compliance of the same. The Company has finalised its financial statements for the year under review as per the Accounting standards issued by Institute of Chartered Accountants of India. No Fines/Penalties was levied by NHB / RBI during the year 2021-22.

Capital Adequacy Ratio

Your Company's Capital Adequacy Ratio as on March 31, 2022 stood at 60.34% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off-balance sheet items, which is above the regulatory minimum of 15%. Out of the above, Tier I capital was 59.79 % and Tier II capital was 0.55 %.

Listing

The Secured Redeemable Non-Convertible Debentures of your Company are listed on BSE Limited. Your Company has paid required listing fee to the Stock Exchange. During the year under report, your Company has complied with various provisions, regulations and guidelines prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and other applicable listing obligations.

Debenture Trustee

MILESTONE TRUSTEESHIP SERVICES PRIVATE LIMITED Co Wrks Worli, PS56, 3rd floor, Birla Centurion Century Mills Compound, Pandurang Budhakar Marg Worli, Mumbai – 400 030 Maharashtra, India

Tel: 91 22 6288 6119, +91 22 6288 6120 Email: compliance@milestonetrustee.in Website: www.milestonetrustee.in

Annual return

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at www.muthoothomefin.com/investors/annualreturn

Particulars of loans, guarantees or investments under section 186 of the companies act, 2013

Pursuant to Section 186(11)(a) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Housing Finance Company are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantee have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 7 of Notes forming part of the Financial Statements for the year ended March 31, 2022

Particulars of contracts or arrangements with related parties

As mandated under the RBI Directions, the Board of Directors of your Company has formulated a policy on related party transactions, which is displayed on the web site of the Company at www.muthoothomefin.com/policies and forms part of this Annual Report (Annexure 2). This policy deals with review of the related party transactions and regulates all transactions between the Company and its Related Parties.

All transactions or arrangements with related parties entered into during the year were on arm's length basis with the approval of the Audit Committee. A yearly update is also given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company for their review and consideration. During the year, your Company has not entered

Credit rating

Rating Agency	Туре	As at March 31, 2022	As at March 31, 2021
CARE	Commercial Paper	CARE A1+	CARE A1+
ICRA	Commercial Paper	ICRA A1+	ICRA A1+
CRISIL	Borrowings from Banks	CRISIL AA+/Stable	CRISIL AA+/Stable
CRISIL	Non-Convertible Debentures	CRISIL AA+/Stable	CRISIL AA+/Stable

into any material transactions exceeding the threshold limits as prescribed under Rule 15 sub rule (3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is annexed as part of this Board's Report (Annexure 2A).

Subsidiaries, Joint ventures and Associate companies

Your Company is a wholly owned subsidiary of Muthoot Finance Limited. No company has become or ceased to be your Company's subsidiary / joint venture / associate company during the year.

Corporate Governance

The Company has framed the internal guidelines on Corporate Governance in terms with the RBI Directions which have been hosted on Company's website www.muthoothomefin.com. The Company is committed to achieving the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances.

Board of Directors

The composition of your Board is in conformity with section 149 of the Companies Act. As on date of this Report, your Company has eight Directors including one woman Director, three Non-Executive Directors, three Independent Directors and one Executive Director. There was no change in the Board of Directors during the financial year.

Pursuant to provisions of Section 152 of the Companies Act, 2013, Mr. Eapen Alexander (holding DIN 03493601) and Mrs Anna Alexander (holding DIN 00017147) retires by rotation and being eligible offers themselves for re-appointment at the ensuing annual general meeting of the Company

Meetings of the Board

During the financial year, the Board of Directors met five times on 04.05.2021, 27.07.2021, 26.10.2021, 01.02.2022 and 29.03.2022

Committees of the Board:

i) Audit Committee

The Audit Committee was constituted on 21.01.2015 and last reconstituted on 02.08.2019. The members of the Audit Committee are Mr. Eapen Alexander (Whole time Director), Mr. Jose Kurian (Independent Director), Mr. V. C. James (Independent Director) and Mr. Jacob K. Varghese (Independent Director). During the financial year, the Audit Committee met five times on 04.05.2021, 27.07.2021, 26.10.2021, 01.02.2022 and 29.03.2022

ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on 21.01.2015 and last reconstituted on 02.08.2019. The Committee comprises of Mr. K. R. Bijimon (Non - Executive Director), Mr. Jose Kurian (Independent Director), Mr. V. C. James (Independent Director) and Mr. Jacob K. Varghese (Independent Director). During the financial year, the Committee met twice on 04.05.2021 and 27.07.2021

iii) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on 23.10.2017. The Committee comprises of Mr. Eapen Alexander (Whole time Director), Mr. Jose Kurian (Independent Director) and Mr. K.R. Bijimon (Non-Executive Director). During the financial year, Committee met once on 27.07.2021

iv) Risk Management Committee

The Risk Management Committee was constituted on 20.02.2016 and was re-constituted on 23.10.2020 with Mr. Eapen Alexander (Whole time Director), Mr. George Alexander Muthoot (Non-Executive Director) and Mr. K. R. Bijimon (Non-executive Director) as the members of the Committee. During the financial year, the Committee met four times on 04.05.2021, 27.07.2021, 26.10.2021 and 01.02.2022.

v) Asset Liability Management Committee

The Asset Liability Management Committee was constituted on 20.02.2016 and was re-constituted on 23.10.2020 with Mr. Eapen Alexander (Whole time Director), Mr. George Alexander Muthoot (Non-Executive Director) and Mr. K. R. Bijimon (Non-executive Director) as the members of the Committee. During the financial year, the Committee met four times on 04.05.2021, 27.07.2021, 26.10.2021 and 01.02.2022.

vi) Finance Committee

The Finance Committee was constituted on 02.01.2019 and was reconstituted on 20.09.2018. The members of the Committee are Mr. George Alexander Muthoot (Non-Executive Director), Mr. George Thomas Muthoot (Non-Executive Director), Mr. Eapen Alexander (Whole time Director) and Mr. K. R. Bijimon (Non-Executive Director). During the financial year, the Committee met six times on 11.06.2021, 25.06.2021, 23.09.2021, 09.12.2021, 22.12.2021 and 10.02.2022

vii) Stakeholder Relationship Committee

The Stakeholder Relationship Committee was constituted on 13.05.2019. The Committee comprises of Mr. Jose Kurian (Independent Director), Mr. V. C. James (Independent Director) and Mr. Eapen Alexander (Whole time Director). During the financial year, the Committee met once on 26.10.2021

Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

The Independent Directors are selected as per the applicable provisions of the Companies Act, 2013, and are in terms of the RBI Directions. The integrity, expertise and experience of the Independent Directors have been evaluated by the Nomination and Remuneration Committee and the Board of Directors at the time of appointment/re-appointment.

Declaration of independence from Independent Directors

The independent directors, namely Mr. Jose Kurian, Mr. V. C. James and Mr. Jacob K. Varghese, have submitted a declaration to the effect that they meet the criteria of independence as provided under section 149(6) of the Act, as amended. The independent directors have also confirmed compliance with the provisions of rule 6(1)(b) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

Key Managerial Personnel

During the financial year, Mr. Vikram Rooprai resigned from the office of Interim Chief Executive Officer of the Company on June 01, 2021 and Mr. Rajeev Khond was appointed as the Chief Executive Officer and Key Managerial Personnel (KMP) of the Company with effect from June 01, 2021

As on March 31, 2022, Mr. Rajeev Khond (Chief Executive Officer), Mr. Pandurang Kadam (Chief Financial Officer) and Mrs.



Jinu Mathen (Company Secretary), were the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013.

Policy on appointment of Directors and Remuneration policy of the Company

Board of Directors of your Company, on recommendation of Nomination and Remuneration Committee, has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of Companies Act, 2013. The Policy is displayed on the website of the Company at www.muthoothomefin.com/policies

Terms of Reference of the Nomination and Remuneration Committee includes the following:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with criteria as laid down and recommend to the Board their appointment and removal;
- ii. Ensuring persons proposed to be appointed on the Board do not suffer any disqualifications for being appointed as a director under the Companies Act.
- Ensuring that the proposed appointees have given their consent in writing to the Company;
- iv. Reviewing and carrying out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Planning for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- vi. Being responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- vii. Keeping under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place;
- viii. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings;
- ix. Determining and agreeing with the Board the framework for broad policies for criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board policies, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- Reviewing the on-going appropriateness and relevance of the remuneration policy;
- Ensuring that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company;
- xii. Ensuring that all provisions regarding disclosure of remuneration and Remuneration Policy as required under the Companies Act or such other acts, rules, regulations or guidelines are complied with.
- xiii. Formulating ESOP plans and deciding on future grants; and

- xiv. Formulating terms and conditions for a suitable employee stock option scheme and to decide on followings under employee stock option schemes of the Company:
 - a) the quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate;
 - the condition under which option vested in employees may lapse in case of termination of employment for misconduct:
 - the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - e) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
 - g) the grant, vest and exercise of option in case of employees who are on long leave;
 - h) the procedure for cashless exercise of options; and
 - any other matter, which may be relevant for administration of ESOP Scheme including allotment of shares pursuant to exercise of options from time to time

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, in terms with the RBI Directions which is also displayed on the Company website at www.muthoothomefin.com/policies. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company, which have been taken on record by the Nomination and Remuneration Committee.

During the financial year, there were no pecuniary relationship/ transactions of any of the non-executive directors with the Company apart from their sitting fee as directors and transactions in the ordinary course of business and on arm's length basis at par with any member of general public.

Evaluation of Directors, Board and Committees

Pursuant to the provisions of the Act and Rules made thereunder, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees of the Board. The Board performance was evaluated based on the feedback received from each Director about their views on the performance of the Board covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and quality of relationship between the Board and the Management etc. Feedback was also taken from every director on his assessment of the performance of each of the other Directors. The Independent Directors shared their views amongst themselves evaluating the performance of the non-independent directors and performance of the Board as a whole. The Nomination and Remuneration Committee has also reviewed the performance of the individual directors based on

their knowledge, level of preparation and effective participation in meetings, understanding of their roles as directors etc

Corporate Social Responsibility

Your Company has constituted a Corporate Social Responsibility Committee in compliance with the provisions of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The details of CSR policy of the Company are available on the website of the Company at https://www. muthoothomefin.com/policies. During the year, your company was required to spend INR 7.20 million on CSR activities. The annual report as prescribed under the Companies (Corporate Social Responsibility Policy) Rules 2014 is annexed to this report as Annexure 3.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

Conservation of energy, Technology absorption and 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(3) of the Companies (Accounts) Rules, 2014:

Conservation of energy

The Company's operations call for nominal energy consumption cost and there are no major areas where conservation measures could be applied on. However, the Company is making continuous efforts to conserve energy and optimize energy consumption practicable by economizing the use of power.

Technology Absorption

The Company has always been using the latest technology available in the industry. Accordingly, efforts are made to maintain and develop the quality of the product to meet the expectation of market

Foreign Exchange Earnings & Outflow

There are no foreign exchange earnings or outgo during the period under review.

Risk Management

The details in respect of Risk Management is included in the Management Discussion and Analysis, which forms an integral part of this Annual Report.

Internal Financial Controls

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms an integral part of this Annual Report.

Material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report, in terms of Section 134(3)(I)

There were no material changes and commitments 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.

Details of frauds as per section 134(3)(ca), read with section 143(12) of the Companies Act, 2013

There were no fraud cases detected and required to be reported during the year under review as per section 134(3)(ca), read with section 143(12) of the Companies Act, 2013

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

Public deposits

The Company being a non-deposit accepting housing finance company, the provisions / disclosures under Chapter V of the Companies Act and Chapter VII of the RBI Directions are not applicable.

Audit

a) Statutory Audit under Section 139

Pursuant to the Reserve Bank of India Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, on recommendation by the Board of Directors, the members of the Company in their annual general meeting held on August 18, 2021 appointed M/s Kolath & Co, Chartered Accountants (Firm Registration No. 008926S) as the Statutory Auditors of the Company for a period of 3 years. The Report given by the Statutory Auditors on the financial statements of the Company for the year 2021-22 forms part of this Annual Report

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s ABP & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the FY ended March 31, 2022. The Secretarial Audit Report forms part of the Annual Report (Annexure 4)

Explanations, or comments by the Board on qualification, reservation or adverse remark or disclaimer on audits for FY 2021-22

There are no qualifications, reservations or adverse remarks or disclaimer on audits under section 139 and section 204 of the Companies Act, 2013 except for the following observation in the Secretarial Audit Report

Minimum Number of shareholders reduced below the statutory limit for some period of time during the year under review and as per the information provided by the management, company has maintained minimum number of shareholders as on 30th June 2021

Reply: Minimum Number of shareholders of the company was reduced below the statutory limit for some period of time consequent to the death of a registered shareholder and further transmission of his share to his nominee. We have maintained minimum number of shareholders required for a public company as on 30th June 2021

Company had filed some e forms / returns with the Registrar of Companies beyond the due dates with additional fees.



Reply: Delay in filing 2 (two) e-forms with the Registrar of Companies was due to technical issues of the website / digital signature. The e-Forms were filed with additional fees as prescribed under the Companies Act, 2013

Disclosure pursuant to Part A of Schedule V of SEBI LODR

Disclosure pursuant to Part A of Schedule V read with Regulation 53(f) of SEBI LODR is attached as **Annexure 5** of this report.

Particulars of employees in receipt of remuneration above the limits and other applicable provisions of the Companies Act, 2013

Information required pursuant to section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is attached as **Annexure 6**

Reporting on Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place policy against sexual harassment and the said policy seeks to protect women employees from sexual harassment at the place of work. The primary objective of the same is to safeguard the interest of female employees in the Company and also provides for punishment in case of false and malicious representations. The policy has been communicated to all the employees of the Company. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Vigil Mechanism

The Company has adopted a Whistle Blower Policy and established the necessary vigil mechanism for Directors and Employees to report genuine concerns about unethical behaviour, pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The vigil mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company has been denied access to the Audit Committee under the vigil mechanism. There were no complaints from the employees during the year 2021-22. The Whistle Blower Policy has been hosted on the Company's website at https://www.muthoothomefin.com/policies

Directors' Responsibility Statement

Your Directors 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;
- 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 directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 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

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year

No application was made or any proceeding was pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

No valuation was done during the financial year.

Acknowledgement

Your Board of directors would like to place on record their sincere gratitude to Reserve Bank of India, National Housing Bank, Registrar of Companies, Securities and Exchange Board of India, Ministry of Corporate Affairs, all Bankers to the Company, Central & State government departments, Tax Authorities, Debenture Trustees, Debenture holders, Registrars, other stakeholders, customers and all other business associates for their continued support during the year under report. The Directors would also like to thank the Bombay Stock Exchange Limited, National Securities Depository Limited and Central Depository Services (India) Limited and the Credit Rating Agencies for their support and co-operation.

Your Company and management team also express their sincere gratitude to the Holding Company, M/s Muthoot Finance Limited and other entities of Muthoot Group for their instinct support and co-operation.

Your Directors wish to acclaim the hard work and commitment of the employees at all levels who had contributed their might for improving the performance of the Company year by year.

For and on behalf of the Board of Directors

Sd/-**Eapen Alexander**Whole-time Director

Sd/-**George Alexander Muthoot** Director



Place: Kochi

Date: August 03, 2022

Annexure 1



Management Discussion and Analysis

Muthoot Homefin (India) Limited ("MHIL") was incorporated on August 26, 2011. The Company obtained the certificate of registration under the National Housing Bank ("NHB") as required under Section 29A of the NHB Act, 1987 on May 19, 2014. We are currently the wholly owned subsidiary of Muthoot Finance Limited ("MFL"), which is one of India's largest gold financing companies by loan portfolio. Accordingly, we are a part of the group with a legacy of serving customers for over 130 years.

The Company is primarily engaged in the business of providing long term finance to construct, purchase, acquire, renovate, modify, extend, enlarge or repair any house, villa, flat, apartment on the terms and conditions as the company may deem fit.

INDIAN ECONOMY OVERVIEW AND MACROECONOIC OUTLOOK

The Financial Year 2020-21 commenced with the uncertainties of the COVID-19 pandemic and during the close of the financial year, Indian economy was poised to advantageous growth trajectory. However, the situation witnessed a topsy turn in the first week of April 2021 with the country witnessing the ferocious second wave of covid-19 with new mutant virus spreading virulently with increased mortalities.

India stepped into FY2022 with rising number of Covid cases and lockdown due to 2nd wave of the pandemic. India was on the path of economic recovery post the 1st wave of Covid-19 but the 2nd wave played spoilsport. The government announced measures to support sectors hit hard by the pandemic, including new credit guarantee schemes for healthcare, tourism and small borrowers, besides INR 23,220 crores plan to strengthen the country's medical infrastructure. RBI, on its part, allowed lenders to carry out a fresh round of restructuring of loan accounts under "Resolution Framework 2.0" which provided some relief and a cushion to declining asset quality. The regulator had decided to hold key lending rates steady at record low levels to support a durable recovery of the economy. The Russia-Ukraine conflict has impacted the economy by disrupting the supply chain which led to increase in prices of various food items and fuel. As India's retail inflation, as measured by the Consumer Price Index (CPI), rose 16 months high to 6.95% in the month of March 2022, breaching the RBI's inflation tolerance level, it is expected that the regulator will raise policy interest rates in the future to keep inflation in check. GDP, which contracted in Q1FY2021 and Q2FY2021, made a turnaround and returned to positive territory in Q3FY2021. GDP grew by a staggering 20.3% in Q1FY2022 compared with corresponding period last year when nationwide lockdown had nearly halted all economic activities. The growth rate was 8.5% and 5.4% in Q2FY2022 and Q3FY2022, respectively.

International Monetary Fund slashed India's growth forecast to 8.2% for FY2023 from its earlier estimate of 9% citing the negative impact of higher oil prices led by the Ukraine war on domestic consumption and private investment. Despite downward revision in estimates, India will still retain its tag as the fastest growing major global economy. Global economy growth is expected to moderate from 6.1% in 2021 to 3.6% in 2022 and 2023. RBI had slashed its growth projections for FY2023 from 7.8% to 7.2%. IMF put the forecast for FY2024 GDP growth at 6.9% from earlier estimates of 7.1%.

HOUSING FINANCE SECTOR

India's home loan market is seeing intense competition with

banks and non-bank financial companies vying for a slice of the most secure credit segment. This, along with the benign interest rate regime, are beginning to put pressure on spreads that housing finance companies (HFC) earn.

As per ICRA's report, the total outstanding housing finance credit for NBFC-HFC as on December 2021 stood at INR 11.9 lakh crores. Disbursements were impacted in Q1FY2022 due the second wave of the pandemic and the industry registered nil sequential growth in the on-book portfolio. However, with easing of the pandemic and opening of the economy, there was a recovery in Q2FY2022 which continued for rest of the year as well. Increasing level of economic activity coupled with healthy demand in the industry are expected to result in a steady growth of disbursements going forward. Within HFCs, the affordable housing segment is expected to grow at a faster pace than the overall industry supported by robust demand and liquidity support from NHB. According to ICRA's estimate, the HFC portfolio is expected to grow by 8-10% in FY2022 and 9-11% in FY2023. RBI's notification providing clarification on the income recognition and asset classification (IRAC) norms had led to HFCs reporting an increase in the GNPAs in Q3FY2022. However, RBI extended the applicability of the same to October 1, 2022, which is expected to allow for smoother adoption of the same.

The government's focus on 'Housing for All by 2022' has been undeterred in the last few years despite several headwinds. This has made the housing finance space a center for traction with many new players entering the market. The affordable housing space has seen a special traction mainly on account of robust demand, absence of big players and large untapped market. Pradhan Mantri Awas Yojana Urban (PMAY) which was launched in 2015 targeted the creation of 50 million houses by 2022. Under the same, 'Credit Linked Subsidy Scheme' (CLSS) for economically weaker sections and lower income groups, provided an enabler to customers to own a house. Resultantly, there have been large numbers of new entrants in the market. Of late, Banks too have increased their focus in the retail housing finance space which has increased the competition in INR 25-75 lakh home loan segment of the market. Compared to this, HFCs operating in affordable housing space (sub INR 25 lakh loan category) have been growing well and are expected to outpace the industry. To better leverage the respective comparative advantages of the banks and NBFCs in a collaborative effort, RBI in its circular dated November 05,2020 has decided to provide greater operational flexibility to the lending institutions, while requiring them to conform to the regulatory guidelines on outsourcing, KYC, etc.

The affordable housing finance segment is the largest – and most challenging - within India's housing finance sector. India's typical affordable HFC customer lives in Tier-2 and Tier-3 cities, is new to the concept of credit, earns a low informal income, does not possess income documents and is usually self-employed. These realities warrant the use of specialized expertise in addition to what is used in conventional lending.

REGULATORY INITIATIVES

Regulatory Authority on HFCs Shifted from NHB to the RBI. The Union Budget 2019-2020 announced the transfer of regulatory power on HFCs from NHB to the RBI. This is expected to result in more uniformity in regulations of HFC's and Banks and result in better implementation of better risk management framework for HFCs. RBI issued a master circular on February 17, 2021 providing





a consolidated regulatory framework applicable to HFCs. This circular supersedes the previously issued directions by NHB and RBI. Some of the key regulations include:

- Maintenance of Liquidity buffer in terms of LCR: RBI has provided timelines for maintenance of liquidity buffer starting from December 1, 2021 till December 1, 2025. All non-deposit taking HFCs with asset size of INR 10,000 crore and above and all deposit taking HFCs (irrespective of their asset size) should maintain a minimum Liquidity Coverage Ratio (LCR) of 50% by December 1, 2021, which would then gradually increase to 100% by December 1, 2025. All non-deposit taking HFCs with asset size between INR 5,000 crore – INR 10,000 crore should maintain a minimum LCR of 30% by December 1, 2021, which would then gradually increase to 100% by December 1, 2025.
- Fresh Registration and Net Owned Requirement: Companies intending to function as HFCs should register with RBI under Section 29A of NHB Act, 1987 and the minimum Net Owned Funds (NOF) should be INR 20 crores. For existing HFCs, whose NOF is less than INR 20 crores, they have to achieve the target of INR 15 crores by March 31, 2022 and INR 20 crores by March 31, 2023.
- **CRAR Requirement:** Every housing finance company shall maintain a minimum capital ratio on an ongoing basis consisting of Tier-I and Tier-II capital which shall not be less than 13% as on March 31, 2020; 14% on or before March 31, 2021; and 15% on or before March 31, 2022 and thereafter of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The Tier-I capital, at any point of time, shall not be less than 10%.
- Risk Weight on Home Loans: As per latest circular, housing loans shall attract a risk weight of 35%, if their loan-to-value ratio is at 80% or lower. In cases, where the LTV ratio is higher than 80% but less than or equal to 90%, the risk weights will be at 50%. In April 2022, RBI extended the lower risk weightage on housing loans by one year, saying that it would boost credit flow to the sector. In October 2020, the RBI had decided to rationalise the risk weights by linking them only with LTV (Loan to Value) ratios for all new housing loans sanctioned up to March 31, 2022. Now, this has been extended to March 31, 2023.

With a view to ensuring uniformity across all lending institutions in the implementation of Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRACP norms), RBI issued a circular on November 12, 2021. Earlier, some lending institutions upgraded accounts classified as NPAs to 'standard' asset category upon payment of only interest overdues, partial overdues, etc. In order to avoid any ambiguity in this regard, RBI clarified that loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. Earlier the regulator had set March 31, 2022 deadline but later on extended the deadline to September 30, 2022 to put in place necessary systems to implement the provision.

On the demand side, the Government proposed a credit-linked **subsidy** capital, which could be as high as 44% (INR 2,67,000) for a loan of up to INR 6,00,000. On December 31, 2016, two new middle income categories were introduced under the scheme, loans of up to INR 9,00,000 and INR 12,00,000 with subvention of 4% and 3%, respectively. The income eligibility criteria for the two categories are overall household incomes of INR 12,00,000 and INR 18,00,000, respectively. The last date to avail the CLSS scheme was March 31, 2020 for the two middle income categories but government first extended it till March 31, 2021 and then to March 31, 2022.

Developers can have easier access to institutional credits through the infrastructure status. The infrastructure status has enabled to reduce the borrowing costs, thereby enabling the government's goals of affordable housing by 2022.

Housing Credit Growth: The overall on-book portfolio growth of NBFC-HFC was 10% till period ended December 2021, driven by the steady growth in disbursements. The total HFC credit in India is estimated at INR 11.9 lakh crores as on December 31, 2021. Given the uptick in disbursements, as per ICRA, loan book portfolio is expected to grow by 8-10% in FY2022 and 9-11% in FY2023.

Asset Quality: Asset quality which had started improving towards the end of FY2022 faced additional strain due to the second wave in Q1FY2022. The GNPAs increased significantly in Q1FY2022 followed by a recovery in Q2FY2022. However, tighter regulations by RBI led to an increase in the GNPAs to 3.3% in Q3FY2022. With the expectation of some recovery in Q4FY2022, driven by continuing healthy collections, ICRA has revised its estimate of reported GNPAs to 3.0-3.3% as on March 31, 2022 from earlier estimate of 3.6-3.8% as on March 31, 2022. GNPA is expected to recover further in FY2023 to 2.7-

Funding and Liquidity: Capital and liquidity remain comfortable for the sector. Considering the growth rate going forward, any sizeable equity infusion is not the need of the hour. However, the sector would require INR 1.2 lakh crores of additional funding for the envisaged growth in FY2023.

Outlook: FY2021 was a challenging year for housing finance industry in terms of muted disbursement, low collections and worsening of asset quality during the first half of the financial year. With gradual opening of the economy, business was slowly getting back on its track but it faced another headwind in the beginning of FY2022 with the 2nd wave of pandemic. The challenges posed by the 2nd wave led to lower collections and deterioration of asset quality in Q1FY2022, though the industry saw a sharp recovery in Q2FY2022 which continued going forward as well. With the introduction of new RBI NPA recognition norm, asset quality indicators are estimated to remain elevated in the near term, nevertheless it is expected to revive almost to the pre- Covid level in FY2023.

SWOT ANALYSIS

Strengths:

- Strong Parentage MHIL is 100% subsidiary of Muthoot Finance Limited. Muthoot Finance Limited is the largest gold loan company in India, Perhaps in the world.
- Diversified Product Portfolio MHIL offers various loan products under housing segment. The products basket covers individual housing loans for construction, purchase, extension, repairs and renovation, site purchase, composite loan, loans for rural housing, loans for urban housing etc.
- Key market presence MHIL has a well-established base to exploit these opportunities with a good presence in tier 1 and tier 2 cities.
- Good asset quality MHIL has maintained a good asset quality as compared to most of the other companies in the HFC sector. This has helped the company to maintain its credit worthiness among the bankers and FI's.
- Governance Over the years MHIL has established a strong governance framework. Ethical business processes and transparency in operations has led to higher operational efficiency and business sustainability.

Weakness

- Regulatory restrictions continuously evolving government regulations may impact operations.
- Portfolio concentration in the western part of India A lot of concentration is on the western part of the country, as ~80% of the branches are located in this region. This leaves a lot of scope to expand branch network all over India.

Opportunities

- Increasing demand for houses in the suburbs of India- Due to increasing urban population and nuclear families demand for houses is increasing in the tier II and tier III cities.
- Smart Cities Development of smart cities along with the population and governments trust on increasing smart cities in India will increase the demand for houses in India.

- Rising Non-performing Assets (NPAs) Rising Non performing assets with the seasoning of the book is one of the threat to the organisation. Keeping the NPA's under control will be challenging.
- Competition from other HFC's and banks Increase in the number of HFC's is making the lending environment competitive. Even banks are entering into the informal sector funding. MHIL will be in a disadvantaged position with regard to ROI compared to banks. Further Non availability of adequately skilled manpower in required numbers

BUSINESS SEGMENT REVIEW

Lending operations

MHIL is a retail affordable housing finance company primarily serving low and middle-income self-employed customers in semi-urban and rural areas in India. It offers customers home loans for the purchase or construction of residential properties, and for the extension and repair of existing housing units. As of March 31, 2022, a majority of the home loans disbursed were for single unit properties, almost all of which were to be occupied by the borrowers themselves. A majority of its customers had limited access to formal banking credit.

The company disbursed INR 1,331 million during the year as compared to INR 834 million during the previous year. Despite slowdown in real estate market in some parts of the country, stiff competition from Banks & HFCs, MHIL managed to deliver a fairly good performance. The Asset under Management (AUM) is INR 14,699 million as against AUM of INR 17,042 million in the previous year. During the year under consideration MHIL received subsidy of INR 557 million under PMAY CLSS Scheme. The customer profile continues to be dominated by the salaried and professional category, accounting for ~63% of the total portfolio. The average ticket size loan is ~INR 0.92 million

Marketing and distribution

MHIL continued to upgrade its marketing and distribution network across 16 states and union territories in India. The total number of outlets as on March 31, 2022 was 108 .In addition to the above outlets responsible for augmenting business, direct selling agents (DSA) are empanelled to source proposals/leads throughout the country. However the control over the credit appraisal of these proposals, vests with MHIL

Funding Sources

Primarily Term loans, credit lines from banks, money market instruments like Commercial Papers (CPs) and Non-Convertible Debentures (NCD's) are the sources through which MHIL raises funds for its lending activities. Strong parentage is helping MHIL

to raise funds at competitive rates. During the year borrowing cost come down to 8.30% from 9.1%.

The Company also runs a Direct Assignment programme whereby pools of Home Loans are sold to PSU and private sector banks, with the Company retaining minimum portion of the portfolio and continuing to act as the servicing agent. Direct Assignment is an important part of the overall borrowing strategy of the Company and we intend to use the same to deepen our relationship with our banking partners. This also helps to capital optimisation and helps in transfer of the credit risk as risk sharing between the bank purchasing the pool and the Company is pari passu in ratio of the pool transferred to bank and held back by the Company. As at March 31, 2022, the total outstanding loans assigned was INR 4161 million

During the year MHIL received refinance of INR 1,000 million from National Housing Bank. Further the company has reduced the reliance on commercial papers for fund raising. There are no Commercial papers issued during the year.

Credit Ratings as on March 31, 2022

Borrowings from Banks: Long term rating AA+/Stable for term loans by CRISIL.

Commercial Paper: A1+ rating by ICRA Ltd AND CARE

Non-Convertible Debentures (NCD): CRISIL has assigned rating of AA+/Stable for the NCD programme of MHIL.

ASSET QUALITY

Risk assessment of the customers is made at the time of initial appraisal for the purpose of pricing and granting the loans. The company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism.

Due to pandemic and subsequent lockdowns during the year Gross NPA as on March 31, 2022 stood at 2.93% as against 4.85% as on March 31, 2021 of loan outstanding during the previous year. Special campaigns were conducted for all the branches with the active involvement of their staff.

Further MHIL has a dedicated team of collection managers which allows prompt and timely collections. MHIL has a planned to increase the collection team to arrest NPA.

PERFORMANCE OVERVIEW

- AUM is INR 14,699 million as against INR 17,042 million in the previous year.
- 2. PAT INR 84 million as against INR 126 million in previous year
- 3. Gross NPA 2.93%; NNPA 1.27%.
- ~63 % of the total loan book as of March 2022 comes from salaried and professional segment.
- Capital Adequacy Ratio 60.34% shows MHIL is well capitalised
- Comfortable Debt equity ratio of 1.71 gives lot of room for leverage
- Cost to Income ratio 56.76%; ROA 0.65%; ROE 1.91%

RISK MANAGEMENT

Your Company has a comprehensive Risk Management Policy in place and has laid down a well-defined risk management framework to identify, assess and monitor various elements of risk involved in the business and strengthen controls to mitigate risks. As mandated under the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-





DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has constituted a Risk Management Committee, consisting of the Whole time Director and 2 Non-Executive Directors, which is responsible for putting in place a progressive risk management system, risk management policy and strategy to be followed by the Company.

The Company has to manage various risks such as credit risk, liquidity risk, interest rate risk and operational risk. The Risk Management Committee and the Asset Liability Management Committee review and monitor these risks at regular intervals. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company manages its credit risk through prudent credit norms in line with the business requirements and continues to follow the time tested practice of personally assessing every borrower, before committing credit exposure. This process ensures that the expertise in lending operations acquired by the Company over the past years is put to best use and acts to mitigate credit risks.

Successful mortgage lending calls for timely identification, careful assessment and effective management of the credit, operational, market (interest-rate and liquidity) and reputation risks. The Company has adopted efficient risk-management policies, systems and processes that seek to strike an appropriate balance between risk and returns. The Company has also introduced appropriate risk management measures, such as accessing the applicant's credit history with credit information bureaus, field investigation of the applicant's credentials, adoption of prudent loan/value ratio and analysis of the borrower's debt-service capacity in addition to in-house scrutiny of the legal documents, lending majorly against approved properties, risk-based loan pricing and property insurance. The Company has employed qualified personnel to value properties and track property price movements. A separate recovery vertical has been set up to monitor recovery of dues from the borrowers. The Recovery Team constantly follows up with the borrowers for the collection of outstanding dues.

The Company monitors its Asset Liability Mismatch on an ongoing basis to mitigate the liquidity risk, while interest rate risks arising out of Maturity Mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company also measures the interest rate risk by the Duration Gap Method.

Operational risks arising from inadequate internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. The Senior Management Team regularly assesses the risks and takes appropriate measures to mitigate them. Process improvements and quality control are on-going activities and are built into the employees' training modules as well. The Company has well documented systems to ensure better control over transaction processing and regulatory compliance

HUMAN RESOURCES

Date: August 03, 2022

Employees' contribution is vital to the Company's performance-

both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement. Inhouse on-the-job coaching and enhanced training programmes in various other functional areas were conducted during the year to upgrade the skills of employees and achieve functional effectiveness.

In addition, executives were seconded to various external training programmes and seminars on risk management, regulatory know-your-customer guidelines, anti-money laundering and the fair practices code. These training programmes enabled the staff members to sharpen their knowledge in their areas of responsibility. New employees are put through an induction programme covering business requirements, Company's processes, regulatory prescriptions and contours of personality development. There are no material developments in the human resources/industrial relations front adversely affecting the Company's business. The number of permanent employees on the rolls of the Company as on 31st March 2022 was 243.

INTERNAL CONTROLS AND THEIR ADEQUACY

Your Company has a well-placed, proper, adequate and documented internal control system commensurate with the size and nature of its business. The primary objective of the internal control system is to ensure that all its assets are safeguarded and protected and to prevent any revenue leakage and losses to the Company. Such controls also enable reliable financial reporting.

The Company has an Audit and Inspection Department which conducts regular internal audits to examine the adequacy and compliance with policies, plans and statutory requirements. The Internal Audit Team directly reports to the Audit Committee of the Company. Significant audit observations and followup actions thereon are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Audit Committee oversees the functioning of the audit team and reviews the effectiveness of internal control at all levels apart from laying down constructive suggestions for improving the audit function in the Company. The present reporting structure ensures independence of the internal audit function and embodies best corporate governance practices.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

For and on behalf of the Board of Directors

Sd/-**Eapen Alexander** Whole-time Director

Sd/-**George Alexander Muthoot** Director



Place: Kochi

Annexure 2



Related Party Transaction Policy

1. PREAMBLE

In terms of Section 188 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors (the "Board") of Muthoot Homefin (India) Limited (the "Company" or "MHIL"), have basis the recommendations of the Audit Committee Members framed and adopted the Related Party Transaction Policy ["Policy" or "this Policy"] with effect from 01st March 2016 which defines and lays down the procedures with regard to Related Party Transactions. This policy aims to regulate transactions between the Company and its Related Parties, based on the laws and regulations applicable to the Company.

2. OBJECTIVE

The objective of this Policy is to regulate transactions with related parties and ensure transparency between them. It sets out the materiality thresholds for related party transactions and the manner of dealing with such transactions in accordance with the provisions of Companies Act, 2013 and Rules made thereunder including any amendment(s)/ modification(s) thereof.

3. DEFINITIONS

- "Act" means the Companies Act, 2013 and rules made thereunder and includes any amendment(s)/ modification(s) thereof
- "Arm's Length Transaction" means transaction between two related or affiliated parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.
- "Audit Committee/Committee" means Committee of Board of Directors of the Company constituted as per the provisions of the Companies Act, 2013.
- "**Key Managerial Personnel**" (as defined in Section 2 (51) of the Companies Act, 2013), in relation to the Company, means –
- Chief Executive Officer or the Managing Director or the Manager
- II. Company Secretary
- III. Whole Time Director
- IV. Chief Financial Officer and
- V. Such other officer as may be prescribed by the Government.
- "Policy" means Related Party Transaction Policy.
- "Material Related Party Transaction(s)" means transaction/ transactions with the related party to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the company."
- "Related Party" shall mean a related party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 or under the applicable accounting standards

Section 2(76) of the Companies Act, 2013, as referred above, defines Related Party as -

- i. A Director or his relative;
- ii. A Key Managerial Personnel or his relative;
- A firm, in which a director, manager or his relative is a partner;

- iv. A private company in which a director or manager or his relative is a member or director;
- A public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- vi. Any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; [Except advice, directions or instructions given in a professional capacity]
- vii. Any person on whose advice, directions or instructions a director or manager is accustomed to act. [Except advice, directions or instructions given in a professional capacity]
- viii. Any company which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company to which it is also a subsidiary.
- ix. A director other than an Independent Director or Key Managerial Personnel of the holding Company or his relative with reference to a Company.

"**Relative**" as per section 2 (77) of the Companies Act, 2013, with reference to any person, shall be deemed to be relative of another, if he or she is related to another in the following manner, namely:-

- i. Father, includes step-father.
- ii. Mother, includes step-mother.
- iii. Son, includes step-son
- iv. Son's wife.
- v. Daughter.
- vi. Daughter's husband.
- vii. Brother, includes step-brother.
- viii. Sister, includes step-sister.
- ix. Are members of a Hindu Undivided Family
- x. They are Husband and wife.

"Related Party Transaction" shall mean to include:

- a. Transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract;
- b. Contracts or arrangements entered into with related party for:
 - i. Sale, purchase or supply of any goods or materials;
 - ii. Selling or otherwise disposing of, or buying, property of any kind;
 - iii. Leasing of property of any kind;
 - iv. Availing or rendering of any services;
 - Appointment of any agent for purchase or sale of goods, materials, services or property;
 - vi. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - vii. Underwriting the subscription of any securities or derivatives thereof, of the Company.

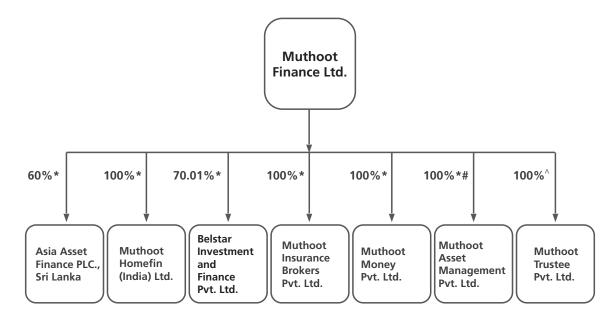
Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013





4. CORPORATE STRUCTURE

Set forth below is the corporate structure of our Promoter and its subsidiaries.



5. TERMS OF THE POLICY

- 5.1 All the Related Party Transactions proposed to be entered by the Company shall require prior approval of the Audit Committee including the transactions to be entered in the ordinary course of business. The Audit Committee shall recommend the Related Party Transaction(s) for the approval of Board of Directors/ Shareholders as per the terms of this policy and the applicable provisions of the Companies Act, 2013 or any amendment(s) / modification (s) thereto.
- 5.2 The Related Party Transactions entered into in the ordinary course of business and transacted at arms' length shall not require approval of the Board of Directors. However, all related party transactions to be entered by the Company shall require prior approval of the Audit Committee.
- 5.3 All the Material Related Party Transaction and Related Party Transactions as defined under Section 188 (1), exceeding the threshold limits prescribed under Rule 15 sub rule(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014, as detailed under Clause 4.4. below, shall require prior approval of the Audit Committee, Board of Directors and Shareholders of the Company by way of a resolution.
- 5.4 Transactions as prescribed under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions/ contracts/ arrangements as follows:
 - Contracts or arrangements with respect to clauses (a) to (e) of Section 188 (1) of Companies Act, 2013 with criteria as mentioned below:
 - Sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;
 - Selling or otherwise disposing of or buying property of any kind, directly or through appointment of

- agent, amounting to ten percent or more of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;
- iii. Leasing of property of any kind amounting to ten percent or more of the net worth of the company or ten percent or more of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188 of Companies Act, 2013;
- iv. Availing or rendering of any services, direct or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of subsection (1) of section 188 of Companies Act, 2013. These limits shall however, apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
- b. Contracts or arrangements with respect to Clause (f) of Section 188 (1) wherein a related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company is at a monthly remuneration exceeding two and a half lakh rupees.
- c. Contracts or arrangements with respect to Clause (g) of Section 188 (1) wherein such related party receives a remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one percent of the net worth.

6. PROCEDURES

- Review and approval of Related Party Transactions by Audit Committee Members
- Audit Committee shall review all the potential/proposed Related Party Transactions, to ensure that no conflict of

interest exists and evaluate it from the perspective of Arms' Length Pricing.

- Any member of the Audit Committee who has an interest in the transaction under discussion shall abstain from voting on the approval of the Related Party Transaction, but may, if so requested by the Chairperson of the Committee, participate in some or all of the Committee's discussions of the Related Party Transaction.
- Audit Committee shall have all the rights to call for information/documents in order to understand the scope of the proposed related party transactions and devise an effective control system for the verification of supporting documents. The Audit Committee shall be provided with the following information and details pertaining to each proposed related party transactions/ contracts
 - i. The name of the related party and nature of relationship;
 - The nature, duration of the transaction /contract or arrangement and particulars of the transaction/ contract or arrangement;
 - iii. The material terms of the transaction/contract or arrangement including the value and / or the maximum amount for which the same is proposed to be entered into:
 - iv. Any advance paid or received for the transaction / contract or arrangement, if any;
 - v. The manner of determining the pricing and other commercial terms, both included as part of transaction / contract and not considered as part of the same;
 - vi. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered.
 - vii. The rationale for not considering the relevant factors; and
 - viii. Any other information relevant or important for the Audit/ Board to take a decision on the proposed transaction.
- The Audit Committee shall while reviewing the Related Party Transaction, consider all the relevant information/ facts submitted to it, including but not limited to the (a) Commercial or business reasonableness of the terms of the subject transaction so as to analyse that transaction is on an arms' length basis, benchmarking the same with the information and /or drawing reference to the information that may have a bearing on the arms' length analysis. eg: industry trends, certificate from an independent auditor, valuation reports, third party comparables, publications or quotations. etc. (b) availability and / or the opportunity cost of the alternate transactions (c) materiality and interest (direct/ indirect) of the related party in the subject transaction, (d) actual or apparent conflict of interest of the Related Party, (e) If the Related party is an Independent Director then the Audit Committee shall also consider the impact of the said Related Party Transaction on the Director's independence. Upon completion of its review of the transaction, the Audit Committee may determine whether to allow or disallow from entering into the Related Party Transaction. The Audit Committee shall also have the right to suggest any modification(s) in the proposed related party transaction. The Audit Committee, if considers it appropriate, can also propose modification/s in the approved related party transaction subsequently.

b. Omnibus Approval of Related Party Transactions

The Audit Committee may grant omnibus approval, pertaining to the transactions in the ordinary course of business, transactions for support service/ sharing of services with Associates Companies, Sub Lease of Office Premises or Office Sharing arrangement with Associate Companies or any other transactions or arrangements as it may deem appropriate, being proposed to be entered into on arms' length basis, subject to the following conditions.

- The Audit Committee shall grant omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- The Audit Committee shall satisfy itself in respect of the need for such omnibus approval and that such approval is in the interest of the company;
- iii. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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 or criteria's, as the Audit Committee may deem fit;
 - However, 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 `1 crore per transaction.
- Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

c. Review and approval of Related Party Transactions by Board of Directors.

- In case the Audit Committee determines that the Related Party Transaction requires the approval of the Board of Directors or Shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the Board of Directors for its approval alongwith all the relevant information/ documents pertaining to the same.
- The Board shall review the Related Party Transaction and recommendations of the Audit Committee, if any, and shall have the authority to call for such additional information as it may deem appropriate and may approve with or without modification(s) or reject the proposed related party transaction as per the terms of this policy and other applicable regulatory provisions.
- In case, the Board determines that the Related Party Transaction requires approval of the shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the shareholders for its approval alongwith all the relevant information/documents pertaining to the same, as per the appropriate regulatory provisions.



- d. All Material related party transaction(s) to be entered into between the Company and its Wholly owned Subsidiary whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval, shall not require approval of the Shareholders.
- **e**. Approval of the Audit Committee /Board of Directors shall be required in case of any subsequent amendment/ modification/renewal, in the terms of the earlier approved Related Party Transaction, as the case may be.

7. DISCLOSURES

Every Director of a Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into -

- a. With a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- b. With a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- Each Director, Key Managerial Personnel shall be required to disclose to the Audit Committee any potential Related Party Transaction(s) proposed to be entered into by them or their relatives.
- The Related Party Transaction entered into with the related party/ies shall be disclosed in the Director's Report / Annual Report as per the disclosure requirement(s)

- of the Companies Act, 2013. Material Transactions exceeding the threshold limits as prescribed under Rule 15 sub rule(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 shall be disclosed under "Details of material contracts or arrangements or transactions at arms' length" in Form no. AOC-2 as a part of the Directors Report, as prescribed under Companies Act, 2013.
- The particulars of all the Related Party Transaction entered into with the approval of the Audit Committee / Board of Directors / Shareholders shall be entered into the Register of Contracts or Arrangements in which Directors are interested, maintained by the Company as per the provisions of the Companies Act, 2013 and rules framed thereunder.
- All entities falling under the definition of related parties shall abstain from voting at the Board Meeting or at Annual General Meeting irrespective of whether the entity is a party to the particular transaction/ contract / arrangement or not.
- This Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report.
- Quarterly/periodical updates shall be provided to the Audit Committee members on the related party transactions entered by the Company.

8. RATIFICATION

If any contract or arrangement is entered into by a director or any other employee of the Company, without obtaining the consent of the Board or approval by a resolution in the general meeting as per the provisions of Section 188 (1) of the Companies Act, 2013 and if it is not ratified by the Board and/or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it. However, the above provisions for ratification shall not apply to the Material Related Party Transactions.

9. AMENDMENTS

The Audit Committee shall periodically review, propose modifications/ amendments, if deemed necessary, to this policy which shall be subject to the approval of the Board of Directors. In the event of any conflict between the provisions of this Policy, Act or any other statutory enactments/rules/laws, the provisions of such Act or any other statutory enactments/rules/laws would prevail over this Policy.

For and on behalf of the Board of Directors

Place: Kochi

Date: August 03, 2022

Sd/-**Eapen Alexander** Whole-time Director Sd/-**George Alexander Muthoot** Director

Annexure 2A

FORM NO. AOC.2

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

1	Details of contracts or arrangements or transactions not at arm's length basis	NIL
а	Name(s) of the related party and nature of relationship	
b	Nature of contracts/arrangements/transactions	
С	Duration of the contracts/arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
е	Justification for entering into such contracts or arrangements or transactions	
f	date(s) of approval by the Board	
g	Amount paid as advances, if any:	
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

II	Details of material contracts or arrangement or transactions at arm's length basis	NIL
а	Name(s) of the related party and nature of relationship	
b	Nature of contracts/arrangements/transactions	
С	Duration of the contracts/arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
е	Justification for entering into such contracts or arrangements or transactions	
f	date(s) of approval by the Board	
g	Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Place: Kochi Date: August 03, 2022

Eapen Alexander Whole-time Director

Sd/-

Sd/-**George Alexander Muthoot** Director



Annexure 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of the CSR Policy of the Company

CSR vision and policy of Muthoot Homefin (India) Limited (MHIL) is aimed to create a nationwide social impact by constantly giving back to the community by identifying and facilitating growth in areas which are less privileged. The Company's CSR policy is committed towards CSR activities

as envisaged in Schedule VII of the Companies Act, 2013. MHIL undertakes CSR activities through Muthoot M George Foundation, a charity foundation for CSR activities of Muthoot Group. The Company mainly focuses on health awareness and educational initiatives

2. Composition of CSR Committee

SI No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR committees held during the year	Number of meetings of CSR Committees attended during the year
1	Eapen Alexander	Executive Director	1	1
2	K. R. Bijimon	Non-Executive Director	1	1
3	Jose Kurian	Independent Director	1	1

- 3. Web-link for disclosure of composition of CSR Committee, CSR Policy and CSR Projects approved by the Board The prescribed details are available on the website of the Company at www.muthoothomefin.com
- 4. Details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies

(Corporate Social Responsibility Policy) Rules, 2014, if applicable - **Not applicable**

 Details of the amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - NIL

SI No	Financial Year	Amount available for set off from preceding financial years (in Rs)	Amount required to be set off
		Not Applicable	

- Average net profit of the Company as per Section 135(5) -INR 7.20 million
- 7. (a) Two percent of average net profit of the company as per section 135(5) **INR 9.03 million**
 - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years **NIL**
- (c) Amount required to be set off for the financial year, if any – NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c) INR 7.20 million
- 3. (a) CSR amount spent or unspent for the financial year

Total amount	Amount Unspent	(in Rs)			
Spent for the financial year (INR)	Total amount transfaccount as per sect	erred to unspent CSR ion 135(6)	Amount transferred to a as per second proviso to		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
71,99,817	NIL	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year – **NIL**

SI No	Name of	Item from	Local	Location of the	Project	Amount	Amount spent	Amount spent Amount transferred Mode of	Mode of	Mode of imp	Mode of implementation
	project	the list of	area	Project	duration	allocated for	allocated for in the current to unspent CSR	to unspent CSR	implementa through implementing	through in	nplementing
		activities in				the project	financial year	account for the	tion- Direct	agency	
		Schedule VII	(Yes/			(in Rs)	(in Rs)	project as per section			
		to the Act	No)					135(6) (in Rs)	(Yes / No)		
				State District						Name CSR	Name CSR Registration
											Number
						- - : : W W	-1-1-				

Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year

Mode of implementation - through implementing agency	CSR Registration Number	CSR00008030	CSR00008030	CSR00008030	CSR00008030	CSR00008030	CSR00008030	
	Name	Muthoot M. George Foundation	Muthoot M. George Foundation	Muthoot M. George Foundation	Muthoot M. George Foundation	Muthoot M. George Foundation	Muthoot M. George Foundation	
Mode of implementation- Direct (Yes / No)		No	NO	ON	ON	No	ON	
Amount spent in the current financial year		21,86,317	36,72,500	3,10,000	6,57,000	3,22,000	52,000	71,99,817
Location of the Project	District	Various districts Dakshina Kannada & Bangalore	Various districts	Various districts Dakshina Kannada	Various districts	Various districts	Ernakulam	
Location	State	Kerala Karnataka	Kerala Karnataka Tamil Nadu	Kerala Karnataka	Kerala / Tamil Nadu / Andhra Pradesh / Karnataka	Kerala	Kerala	
Local area (Yes/ No)		ON.	ON.	O _Z	ON	ON N	Yes	
Item from the list of activities in Schedule VII to the Act		Item (i) Promotion of healthcare including preventive health care	Item (ii) Promotion of education	Item (iii) Promotion of gender equality & empowerment of women	Item (iii) Promotion of gender equality & empowerment of women	Item (iii) Promotion of gender equality	Item (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	
SI No Name of project		Medical assistance – Poor patients' medical assistance	Educational assistance – Scholarship to College Students	Marriage Assistance - assisting tem (iii) Promotion widowed mothers to get their daughters married, thereby assuring the families a secured life.	Assistance to widows whose husbands passed away due to Covid-19	Assistance to old age homes / Item (iii) Promotion of orphanages	Assistance to sponsoring athletic coaching and purchase of sports accessories	
SI No		_	2	m	4	N	9	

⁽d) Amount spent in Administrative Overheads - NIL

⁽e) Amount spent on Impact Assessment, if applicable – Not Applicable

⁽f) Total amount spent for the financial year (8b+8c+8d+8e) – INR 71,99,817

⁽g) Excess amount for set off, if any



SI No	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	71,99,817
(ii)	Total amount spent for the financial year	71,99,817
(iii)	Excess amount spent for the financial year (ii $-$ i)	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(>)	Amount available for set off in succeeding financial years (iii-iv)	0.00

(a) Details of unspent CSR amount for the preceding three financial years – NIL о О

SI No	SI No Preceding Financial year	Amount transferred to unspent CSR account for the project as per section 135(6) (in Rs)	Amount spent in the reporting financial year (in Rs)	Amount transferre as	Amount transferred to any fund specified under Schedule VII as per section 135(6) if any	d under Schedule VII any	Amount remaining to be spent in succeeding financial years (in Rs)
				Name of Fund	Amount (in Rs)	Date of Transfer	
	-			Not Applicable			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) – NIL

S NO	SI No Project ID	Name of the	Financial year in	Project	lotal amount	Amount spent on the	Cumulative amount spent	Status of the Project
		Project	which the project	duration	allocated for the	Project in the reporting	at the end of the reporting	
			was commenced		Project (in Rs)	financial year (in Rs)	financial year (in Rs)	Completed / ongoing
					Not Applicable	able		

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created / acquired through CSR spent in the financial year – No capital asset was created / acquired for fiscal 2022 through CSR spent 10.

- Date of creation or acquisition of the capital asset(s) **Not applicable**
- Amount of CSR spent for creation or acquisition of capital asset Not applicable

(q а)

- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, address etc Not applicable Û
- Provide details of the capital asset created or acquired (including complete address and location of the capital asset) Not applicable

Specify the reason, if any, if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not applicable

11. Specify the reason, if any, if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not applicable

Date: August 03, 2022

Place: Kochi

Chairman, CSR Committee Whole-time Director Eapen Alexander

Member, CSR Committee K.R. Bijimon

For and on behalf of the CSR Committee

Annexure 4 Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014)

The Members, M/s. Muthoot Homefin (India) Limited Muthoot Chambers, Kurians Tower, Banerii Road Ernakulam North, Cochin – 682 018, Kerala

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Muthoot Homefin (India) Limited (CIN - U65922KL2011PLC029231) (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 M/s. Muthoot Homefin (India) Limited'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, 2022 complied with the statutory provisions listed hereunder, wherever and to the extent applicable, 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 M/s. Muthoot Homefin (India) Limited for the above said financial year ended on 31st March, 2022, according to the provisions of;

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 [SCRA] and the rules made thereunder
- (iii) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the company during the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable as the listed entity has not offered any shares or granted any options pursuant to any employee benefit scheme during the Review Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the audit period), and
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,
- The company has complied with the following specifically applicable laws, directions, circulars to the company, as confirmed by the management of the company:
 - (a) National housing Bank Act, 1987
 - (b) Master Direction Non-Banking Financial Company Housing Finance Company (Reserve Bank) Directions, 2021
 - Reserve Bank of India / National Housing Bank Circulars, Notifications and Guidelines
 - (d) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest [SARFAESI] Act, 2002
 - (e) Credit Information Companies (Regulation) Act, 2005

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

Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board of directors and general meetings.



ii. Listing Agreement entered by the company with BSE Limited with respect to listing of Non-convertible Debentures.

We report that, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines, standards etc; mentioned above, subject to the following observation;

- Minimum Number of shareholders reduced below the statutory limit for some period of time during the year under review and as per the information provided by the management, company has maintained minimum number of shareholders as on 30th June 2021.
- 2. Company had filed some e forms / returns with the Registrar of Companies beyond the due dates with additional fees.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

As per the information given to us and duly certified by the management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except for a board meeting held on 29.03.2022 for which consents for shorter notice have been obtained from all directors, 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. Majority decision is carried through and recorded as part of the minutes. We did not find any dissenting directors views recoded in the minutes. The directors have complied with

Place: Ernakulam Date: 19.07.2022

Unique Code Number - P2009KE019600 PRC No 1656 / 2022 dated 18.01.2022 UDIN - **F005170D000647119** the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholding / directorships in other companies and interest in other entities.

We further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the Audit, in our opinion, adequate systems, processes and control mechanism exist in the Company, commensurate with the size and operations of the company, to monitor and ensure Compliance with applicable general laws, rules, regulations and guidelines.

We further report that the following key corporate actions were held during the period under review;

- Amended object clauses of Memorandum of Association in the Annual General Meeting held on 18.08.2021 wherein clauses 21, 30 and 33 were deleted and subsequently to renumbered sub-clauses 22 to 37 to sub-clauses 21 to 34 in order to align the object clauses in MOA with the NHB / RBI Directions.
- Redeemed 667,149 Non-Convertible Debentures amounting to Rs. 667,149,000/- under the ISINs of INE652X07019, INE652X07043 and INE652X07076 on 13.05.2021 and received redemption intimation dated 26.05.2021 from NSDL and 03.06.2021 from CDSL.
- 3. Appointed New Statutory Auditors during the year in the Annual General Meeting held on 18.08.2021 to comply RBI Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated 27.04.2021

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

Annexure A

To The Members, M/s. Muthoot Homefin (India) Limited Muthoot Chambers, Kurian Tower, Banerji Road Ernakulam North, Cochin - 682 018, Kerala

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

- 1. Maintenance of Secretarial or other statutory records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these records based on our audit.
- We have followed the audit practices and process 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 process and practices we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- Wherever required, we have obtained the Management representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
- The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedure on test basis.
- 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.

Place: Ernakulam Date: 19.07.2022

Unique Code Number - P2009KE019600 PRC No 1656 / 2022 dated 18.01.2022 UDIN - F005170D000647119



Place: Kochi

Date: August 03, 2022

Annexure 5

Disclosure pursuant to Part A of Schedule V read with Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in millions)

SI No	Loans and Advances in the nature of loans	Amount outstanding as at 31.03.2022	Maximum amount outstanding during the year
(A)	To Holding Company	NIL	NIL
	From Holding Company	NIL	100
(B)	To Associates	NIL	NIL
(C)	To firms / companies in which directors are interested (other than (A) and (B) above)	NIL	500
(D)	Investment by the loanee in the shares of the Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	NIL	NIL

For and on behalf of the Board of Directors

Sd/-

Eapen Alexander Whole-time Director Sd/-

George Alexander Muthoot

Director

Annexure 6

A. INFORMATION REQUIRED PURSUANT TO SECTION 197 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

SI No	Name of Director and KMP	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the company	Percentage increase in remuneration during FY 22
1	Jose Kurian	Independent Director	1:2	18%
2	V. C. James	Independent Director	1:2	19%
3	Jacob K. Varghese	Independent Director	1:2	16%
4	K. R. Bijimon	Non-Executive Director	1:2	8%
5	Rajeev Khond *	CEO	8:1	NA
6	Pandurang Kadam	CFO	7:1	10%
7	Jinu Mathen	Company Secretary	2:1	7%
8	Vikram Rooprai **	Interim Chief Executive Officer	10:1	6%

^{*} Rajeev Khond was appointed as CEO on June 01, 2021

- 2. The percentage increase in the median remuneration of employees in the financial year 4.23%
- 3. The number of permanent employees on the rolls of company as on 31.03.2021 225
- 4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
 There was no increase in the Average percentile salary. However, the average salary as well as the average managerial salary was reduced due to increase in the manpower compared to previous year.
- 5. Affirmation that the remuneration is as per the remuneration policy of the company We affirm that remuneration is paid as per the remuneration policy of the Company
- B. INFORMATION REQUIRED PURSUANT TO SECTION 197 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

During the financial year no employee drew remuneration as prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence, disclosure as prescribed under the Rules is not applicable

For and on behalf of the Board of Directors

Place: Kochi

Date: August 03, 2022

Sd/-**Eapen Alexander** Whole-time Director Sd/-**George Alexander Muthoot**Director

^{**} Vikram Rooprai resigned from office of Interim CEO on June 01, 2021



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MUTHOOT HOMEFIN (INDIA) LIMITED

Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of Muthoot Homefin (India) Limited ("the Company"), which comprise the Balance sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and 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) ("Ind AS") Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

We draw attention to Note 42 to the financial statements, in which the Company describes the continuing uncertainties arising from the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

4. Other Matter

The comparative financial statements of the Company as stated in the Financial Statements for the year ended March 31, 2021, were audited by the predecessor auditor who expressed an unmodified opinion on those financial statement on May 04, 2021. Accordingly, we do not express any opinion on the figures reported in the Financial Statements for the year ended March 31, 2021. Our opinion is not modified in respect of this matter.

5. 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.

Kev	audit	matters

Expected Credit Loss (ECL) on Loans and Advances

As at March 31, 2022, the carrying value of loan assets measured at amortized cost, aggregated to Rs. 10295.63 Million (net of allowance of ECL Rs. 257.12 Million).

The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.

The elements of estimating ECL which involved increased level of audit focus are the following:

a) Data inputs - The application of ECL model requires several data inputs.

How our audit addressed the key audit matter

Our Audit Approach:

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- a) 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 including the appropriateness of the qualitative factors.
 - Management's controls over authorization and calculation of post model adjustments and management overlays to the output of the ECL model.

- b) Model estimations Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.
- c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost.
- d) Economic scenarios Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.

Refer Note 3.7 of the Financial Statements.

- b) On sample basis, ECL allowance on loan assets were tested over the following:
 - 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, and model assumptions applied.
 - We evaluated reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired with estimates of LGD; and
 - We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.
- c) We also evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model.
- d) Testing management's controls on compliance with disclosures to confirm the compliance with the provisions of relevant provisions of Ind AS 109 and the RBI.
- e) Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used, including management overlays.
- f) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology.
- g) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and Ind AS 109.

6. Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report, Corporate Governance Report and Management Discussion & Analysis Report, but does not include the Financial Statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's 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 in the audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

7. 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total 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, the 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 the 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.



8. 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the financial statement.

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 auditor's 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.

9. Report on Other Legal and Regulatory Requirements

- 1. 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) 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.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of

Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in "Annexure B" to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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, as amended, 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 the financial position in its financial statements Refer Note 36A 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.
 - iv. (a) The Management has represented that 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, 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;
 - (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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.
 - (c) Based on audit procedures 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 subclause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. No dividend was declared and paid by the Company during the year.

For Kolath and Co

Chartered Accountants (Firm Registration No.: 008926S)

CA Santhi Elizabeth Liju

Partner

Membership No: 210978

UDIN: 21236744AAAAAP9868

Place: Kochi

Date: May 06, 2022



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

of even date on the financial statements of Muthoot Homefin (India) Limited

Referred to in paragraph [9(i)] under Report on Other Legal and Regulatory Requirements section of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (b) The Company has maintained proper records showing full particulars of Intangible assets.
 - (c) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification at reasonable intervals. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (d) Based on the information and explanations given to us and on the verification of the relevant records, the title deeds for the immovable property are held in the name of the Company.
 - (e) The Company has not revalued its Property, Plant and Equipment and Intangible assets during the year.
 - (f) According to the information, explanations and representations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
 - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets. Based on the information, explanation and representation provided by the Company and our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the Company with banks and financial institutions when compared with the books of account and other relevant information provided by the Company.
- (iii) (a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii)(a) of the Order is not applicable to the company
 - (b) Considering that the Company is a Non Banking Finance Company, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company's interest. Further, according to the information and explanations provided to us, the Company has not provided any guarantees during the year.
 - (c) In respect of the loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being a Non Banking Finance Company, there are certain cases during the year and as at March 31, 2022 wherein the amounts were overdue vis-à-vis stipulated terms.
 - (d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date except for the following cases as on March 31, 2022:

(₹ in millions)

Number of Cases	Total Amount Dues
520	309.20

Further, on the basis of discussions with the management and representations given to us, we understand that reasonable steps have been taken by the Company for recovery of the principal and interest.

- (e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.
- (f) Based on the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii) (f) of the Order is not applicable to the Company.
- (iv) To the best our knowledge and according to the information and explanation provided to us, the Company has not granted any loans, made investments or provided guarantees and security under the provisions of Sections 185 and 186 of the Act.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit as at March 31, 2022 and therefore, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder are not applicable to the Company. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax. There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - (b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited as on 31 March 2022, on account of disputes are given below:

Name of the Statute	Nature of dues	Amount (Rs. In Million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	283.90	Assessment year 2018-19	Commissioner of Income Tax (Appeals), Kochi

- (viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
 - b) Based on the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
 - c) According to the information, explanations and representation given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application of proceeds.
 - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have been used during the year for long-term purposes.
 - e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company.
 - f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
 - b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) a) Based upon the information, explanation and representations and on audit procedures performed for the purpose of reporting the true and fair view of the financial statements, no fraud on or by the Company has been noticed or reported during the year.
 - b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT- 4 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, explanations and representations given to us by the management, there were no whistle blower complaints received by the Company during the year and hence reporting under paragraph 3 (xi)(c) of the Order is not applicable to the Company.
- (xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance



with section 177 and 188 of the Act where applicable, for all the transactions with related parties and the details of related party transactions have been disclosed in the notes to the financial statements etc, as required by the applicable accounting standards. (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have taken into consideration, the internal audit reports for the period under audit issued to the Company while determining the nature, timing and extent of audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934.
 - The Company has conducted Housing Finance activities holding a valid Certificate of Registration (CoR) from National Housing Bank under Section 29A of the National Housing Bank Act, 1987.
 - The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
 - According to the information and explanations given to us, there is no CIC in the Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial
- (xviii) There has been a resignation of the Statutory Auditors during the year by virtue of RBI Circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, relating to Guidelines for appointment of Statutory Auditors and no issue, objection or concern was raised by the outgoing auditor.
- (xix) According to the information, explanations and representations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the 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.
- According to the information and explanations given to us and based on our examination of the records of the Company, (xx) (a)there is no unspent amount pursuant to other than ongoing projects which is required to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013, within a period of six months of the expiry of the Financial year in compliance with second proviso to sub-section (5) of Section 135 of the Act.
 - (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any ongoing project which is required to be transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the Act.
- (xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no subsidiaries / associates / joint ventures of the Company and hence the paragraph 3(xxi) of the Order is not applicable to the Company.

For Kolath and Co **Chartered Accountants** (Firm Registration No.: 008926S)

CA Santhi Elizabeth Liju

Partner

Membership No: 210978 UDIN: 22210978AINKEM7991

Place: Kochi Date: May 06, 2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

Report of even date on the financial statements of Muthoot Homefin (India) Limited

(Referred to in paragraph 9 (2) (f) under 'Report on Other Legal and Regulatory Requirements section of our Report of even date)

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

1. We have audited the internal financial controls over financial reporting with reference to the Financial Statements of **Muthoot Homefin (India) Limited** ("the Company"), as of 31 March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial 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 Companies Act, 2013.

Auditors' Responsibility

- 3. Our responsibility is to express an opinion on the Company's internal financial controls over financial 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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial 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 auditors' judgments, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
- 4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5. 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

- 6. A company's internal financial control over financial 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 control over financial 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.
- 7. Because of the inherent limitations of internal financial controls over financial 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

Place: Kochi

Date: May 06, 2022

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial 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.

For Kolath and Co

Chartered Accountants (Firm Registration No.: 008926S)

CA Santhi Elizabeth Liju

Partner

Membership No: 210978 UDIN: 22210978AINKEM7991

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS MUTHOOT HOMEFIN (INDIA) LIMITED

As required by the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, we state that:

- (i) The company has obtained a certificate of registration under section 29A of The National Housing Bank Act, 1987, dated 19th May 2014 from National Housing Bank; and the company has complied with the Principal Business Criteria specified in Paragraph 4.1.17 of the Non- Banking Financial Company Housing Finance Company (Reserve bank) Directions, 2021;
- (ii) The company has met the Net Owned Fund (NOF) requirement as prescribed under Section 29A of the National Housing Bank Act, 1987;
- (iii) The company has complied with section 29C of the National Housing Bank Act, 1987;
- (iv) According to the information and explanations given to us, the Board of Directors has passed a resolution for non- acceptance of any public deposits;
- (v) According to the information and explanations given to us, the company has not accepted any public deposits during the year;
- (vi) According to the information and explanations given to us, the total borrowings of the company are within the limits prescribed under paragraph 27.2 of the Non-Banking Financial Company Housing Finance Company (Reserve Bank) Directions, 2021;
- (vii) According to the information and explanations given to us, the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan to value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Non- Banking Financial Company Housing Finance Company (Reserve Bank) Directions, 2021;
- (viii) According to the information and explanations given to us, the capital adequacy ratio as disclosed in the half-yearly statutory return submitted to NHB, as per the Housing Finance Companies (NHB) Directions, 2010, has been correctly determined by the company and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) therein;
- (ix) The Company has furnished the half- yearly statutory return to NHB within the stipulated period as specified in the Housing Finance Companies (NHB) Directions, 2010;
- (x) The company has furnished the quarterly statutory return on Statutory Liquid Assets to the NHB within the stipulated period as specified in the Housing Finance Companies (NHB) Directions, 2010;
- (xi) According to the information and explanations given to us, the company has complied with the requirements contained in the NOn-Banking Financial Company Housing Finance Company (Reserve Bank) Directions, 2021 in respect of opening of new branches/offices or in the case of closure of existing branches/offices, as applicable;
- (xii) According to the information and explanations give to us, the company has complied with the provisions contained in paragraph 3.1.3, paragraph 3.1.4 and paragraph 18 of the Non- Banking Financial Company Housing Finance Company (Reserve Bank) Directions, 2021.

For Kolath and Co

Chartered Accountants (Firm Registration No.: 008926S)

CA Santhi Elizabeth Liju

Partner Membership No: 210978

UDIN: 22210978AINKEM7991

Place: Kochi

Date: May 06, 2022





as at March 31, 20	as a	at M	larch	31	2022
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Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	5.1	46.66	552.22
b) Bank Balance other than above	5.2	252.77	131.25
c) Loans	6	10,295.63	13,767.19
d) Investments	7	1,132.16	524.31
e) Other financial assets	8	879.18	1,645.62
2 Non-financial assets			
a) Property, plant and equipment	9	39.90	54.76
b) Capital work-in-progress	10	66.97	
c) Other intangible assets	11	2.96	4.04
d) Current tax assets (Net)		78.68	60.67
e) Other non financial assets	12	31.06	43.88
Total assets		12,825.97	16,783.94
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
a) (I) Trade payable			
(i) total outstanding dues of micro enterprises and small enterprises		-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	33.06	33.12
b) Debt securities	14	2,420.69	3,087.84
c) Borrowings (other than debt securities)	15	5,221.67	8,683.83
d) Other Financial Liabilities	16	499.29	441.97
2 Non-financial Liabilities			
a) Provisions	17	7.56	3.59
b) Deferred tax liabilities (Net)	31	165.55	141.44
c) Other non-financial liabilities	18	7.39	5.56
3 Equity			
a) Equity share capital	19	1,191.56	1,191.56
b) Other equity	20	3,279.20	3,195.03
Total liabilities and equity		12,825.97	16,783.94

Notes on accounts form part of financial statements As per our Report of even date

For Kolath & Co

Chartered Accountants (FRN: 008926S)

Santhi Elizabeth Liju

Partner

M. No. 210978

UDIN: 22210978AINKEM7991

Place: Kochi Date: May 06, 2022 For and on behalf of Board of Directors of Muthoot Homefin (India) Limited

George Alexander Muthoot

Director DIN: 00016787

Pandurang Kadam Chief Financial Officer **Eapen Alexander** Whole Time Director

DIN: 03493601





Statement of Profit and Loss

for the year ended March 31, 2022

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
(i) Interest income	22	1,638.12	2,145.57
(ii) Sale of service		12.39	4.60
(iii) Net gain on derecognised (assigned) loans		389.01	243.06
(iv) Net gain on fair value changes	23	6.93	9.94
(I) Total Revenue from operations		2,046.45	2,403.17
(II) Other Income	24	90.40	43.25
(III) Total Income (I + II)		2,136.85	2,446.42
Expenses			
(i) Finance cost	25	807.88	1,224.62
(ii) Net loss on derecognised (assigned) loans		35.19	32.48
(iii) Impairment of financial instruments and write Off	26	703.75	507.14
(iv) Employee benefit expenses	27	283.61	343.62
(v) Depreciation, amortization and impairment	28	16.51	27.92
(vi) Other expenses	29	188.94	141.98
(IV) Total Expenses (IV)		2,035.88	2,277.76
(V) Profit before exceptional items and tax (III - IV)		100.97	168.66
(VI) Exceptional items		-	-
(VII) Profit before tax (V- VI)		100.97	168.66
(VIII) Tax Expense:			
(1) Current tax	30	-	13.10
(2) Deferred tax	31	24.06	30.06
(3) Earlier years adjustments		(7.13)	-
Net Tax Expense (VIII)		16.93	43.16
(IX) Profit for the period (VII-VIII)		84.04	125.50
(X) Other Comprehensive Income			
(i) Items that will not be classified to profit or loss			
(a) Remeasurements of the defined benefit plans		0.18	1.39
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.05)	(0.35)
Other Comprehensive Income (i + ii)		0.13	1.04
(XI) Total Comprehensive Income for the period (IX + X)		84.17	126.54
(XII) Earnings per equity share (Face Value of Rs. 10/- Each)	31		
Basic (Rs.)		0.71	1.05
Diluted (Rs.)		0.71	1.05

Notes on accounts form part of financial statements As per our Report of even date

For Kolath & Co **Chartered Accountants** (FRN: 008926S)

Santhi Elizabeth Liju

Partner

M. No. 210978

UDIN: 22210978AINKEM7991

Place: Kochi Date: May 06, 2022 For and on behalf of Board of Directors of Muthoot Homefin (India) Limited

George Alexander Muthoot

Director DIN: 00016787

Pandurang Kadam Chief Financial Officer **Eapen Alexander** Whole Time Director DIN: 03493601









Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from Operating Activities		
Profit before tax	100.97	168.66
Adjustments for:		
Depreciation, amortisation & impairment	16.51	27.92
Impairment on financial instruments and write Off	703.75	507.14
Interest Expenses	807.88	1,224.62
Net gain on derecognised (assigned) loans	(353.82)	(237.77)
Net gain on fair value changes	(6.93)	(9.94)
Loss on sale of Property, plant and equipment	6.47	1.85
Operating Profit Before Working Capital Changes	1,274.83	1,682.48
Working capital changes		
Bank balance other than cash and cash equivalents	(121.52)	(131.25)
Loans	2,767.81	2,983.38
Other financial asset	1,001.87	(1,003.06)
Other non financial asset	12.82	6.84
other financial liabilities and other non financial liabilities	47.17	26.11
Trade payables	(0.06)	7.04
Provision	4.15	0.32
Cash Generated from Operations	4,987.07	3,571.86
Interest Paid	(795.90)	(1,145.56)
Income Received on Assignment of Loans	118.39	91.20
Income tax paid	(10.89)	3.79
Net cash flows from/(used in) operating activities	4,298.67	2,521.29
B.Cash flow from Investing Activities		
Purchase of Property, plant and equipment/intangible assets	(74.66)	(5.08)
Sale of Property, plant and equipment	0.66	0.18
Purchase of Investments	(6,050.00)	(13,370.80)
Proceeds from Sale of Investments	5,426.83	13,064.94
Purchase of Security Receipt	-	-
Redemption of Security Receipt	22.25	13.51
Net cash flows from/(used in) investing activities	(674.92)	(297.25)
C.Cash flow from Financing activities		
Proceeds from issue of shares		
Borrowings other than debt securities issued	(2.462.16)	(2 E02 60)
	(3,462.16)	(2,583.68)
Debt Securities Issued	(667.15)	250.00
Net cash flows from/(used in) financing activities	(4,129.31)	(2,333.68)
Net increase/(decrease) in cash and cash equivalents	(505.56)	(109.64)
Add: Cash and cash equivalents as at beginning of the year	552.22	661.86
Cash and cash equivalents as at the end of the year	46.66	552.22

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Components of cash & cash equivalents		
Cash on hand	3.71	5.85
In current accounts	42.95	546.37
In Bank deposit with maturity of less than 3 months	-	-
Total	46.66	552.22

Notes on accounts form part of financial statements As per our Report of even date

For Kolath & Co **Chartered Accountants** (FRN: 008926S)

Santhi Elizabeth Liju

Partner

M. No. 210978

UDIN: 22210978AINKEM7991

Place: Kochi

Date: May 06, 2022

For and on behalf of Board of Directors of Muthoot Homefin (India) Limited

George Alexander Muthoot

Director

DIN: 00016787

Pandurang Kadam Chief Financial Officer **Eapen Alexander**

Whole Time Director DIN: 03493601





a. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

	As at March 31, 2022		As at March 31, 2021	
Particulars	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Balance at the beginning of the year	11,91,55,843	1,191.56	11,91,55,843	1,191.56
changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	11,91,55,843	1,191.56	11,91,55,843	1,191.56
changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	11,91,55,843	1,191.56	11,91,55,843	1,191.56

b. Other Equity

		Res	erves and Sur	plus	
Particulars	Statutory Reserve	Share Premium Account	Retained Earnings	Other comprehensive income	Total
Balance as at April 1, 2020	293.59	2,146.81	627.50	0.59	3,068.49
Changes due to prior period errors	-	-	-	-	-
Restated balance as at April 1, 2020	293.59	2,146.81	627.50	0.59	3,068.49
Other Additions/ Deductions during the year					
Transfer to/from retained earnings	25.10		(25.10)	-	-
Premium received during the year	-	-	-	-	-
Profit (loss) for the year after income tax	-	-	125.50	-	125.50
Other Comprehensive Income for the year before income tax	-	-	-	1.39	1.39
Less: Income Tax	-	-	-	(0.35)	(0.35)
Balance as at March 31, 2021	318.69	2,146.81	727.90	1.63	3,195.03
Changes due to prior period errors	-	-	-	-	-
Restated balance as at April 1, 2021	318.69	2,146.81	727.90	1.63	3,195.03
Other Additions/ Deductions during the year					
Transfer to/from retained earnings	16.81	-	(16.81)	-	-
Premium received during the year	-	-	-	-	-
Profit (loss) for the period after income tax	-	-	84.04	-	84.04
Other Comprehensive Income for the year before income tax	-	-	-	0.18	0.18
Less: Income Tax	-	-	-	(0.05)	(0.05)
Balance as at March 31, 2022	335.50	2,146.81	795.13	1.76	3,279.20

Notes on accounts form part of financial statements As per our Report of even date

For Kolath & Co **Chartered Accountants** (FRN: 008926S)

Santhi Elizabeth Liju

Partner

M. No. 210978

UDIN: 22210978AINKEM7991

Place: Kochi Date: May 06, 2022 For and on behalf of Board of Directors of Muthoot Homefin (India) Limited

George Alexander Muthoot

Director DIN: 00016787

Pandurang Kadam Chief Financial Officer **Eapen Alexander** Whole Time Director DIN: 03493601



for the year ended March 31, 2022

1. Corporate Information

Muthoot Homefin (India) Limited was incorporated on 26 August 2011. The Corporate Identification Number (CIN) is U65922KL2011PLC029231. The Company obtained the certificate of registration under the National Housing Bank ("NHB") as required under Section 29A of the NHB Act, 1987 on 19th May, 2014. The Company fulfils the Principal Business Criteria as laid down under paragraph 4.1.17, of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ('Master Directions'). The Company's financial assets constitute more than 60% of its total assets and out of the total assets, the Company has financed over 50% towards housing loans to individuals.

The Company is a wholly owned subsidiary of Muthoot Finance Limited.

The registered office of the Company is at Muthoot Chambers, Kurian Towers, Banerji Road, Ernakulam North, Kochi – 682 018.

The Company is primarily engaged in the business of providing long term finance to construct, purchase, acquire, renovate, modify, extend, enlarge or repair any house, villa, flat, apartment on the terms and conditions as the company may deem fit.

2. Basis of preparation

2.1 Statement of Compliance

The 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).

2.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

- fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments,
- iii) other financial assets held for trading,
- iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

3. Significant accounting policies

3.1. Recognition of interest income

 The Company recognises Interest income by applying the effective interest rate to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other creditimpaired financial assets.

- For purchased or originated credit-impaired financial assets, the Company applies the credit- adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
- 3. For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.
- 4. The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset .While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value etc are considered which has an impact on the EIR.
- While calculating the effective interest rate, the Company includes all fees or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.
- Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

3.2 Recognition of Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.3 Other Income and Charges

Other income and charges represents income earned from the activities incidental to the business and is recognised upon realisation.

3.4 Financial instruments

A. Financial Assets

3.4.1 Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

3.4.2 Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.





1. Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income (FVTOCI).

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTP.

3.4.3 Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVTOCI)

B. Financial Liabilities

3.4.4 Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including book overdrafts.

3.4.5 Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

3.5 Derecognition of financial assets and liabilities

3.5.1 Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for derecognition. A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.5.2 Financial Liability

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

3.6 Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all the following circumstances:

- a. The normal course of business
- b. The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

3.7 Impairment of financial assets

In accordance with IND AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

3.7.1 Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12 - 1month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial assets

 Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, The Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

 Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial assets.

3.7.2 Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Exposure at Default - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information - While estimating the expected credit losses, the Company reviews macroeconomic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the

methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral generally in the form of mortgages of Properties However, the fair value of collateral affects the calculation of ECLs. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Collateral repossessed - In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet. Collateral repossessed is valued at zero in the statement of financial statements.

Write-offs - Loans are written off when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

3.8 Determination of fair value of Financial Instruments

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell 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:

- i. In the principal market for the asset or liability, or
- ii. 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.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:



Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand and short- term deposits, as defined above.

3.10 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal

of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10.1 Depreciation

Depreciation is calculated using written down value (WDV) method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Leasehold Improvements are amortised in 10 years unless it has a shorter life. The estimated useful lives are as follows:

Particulars	Useful life
Furniture and fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.11 Intangible assets

The Company's intangible assets consist of computer software and website development.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets comprising of software and website development are amortised on a WDV basis over a period of 5 years, unless it has a shorter useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit or Loss when the asset is derecognised.

3.12 Impairment of non-financial assets: Property, Plant and Equipment and Intangible Assets

The Company's assesses, at each reporting date, whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of assets called Cash Generating Units (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount to determine the extent of impairment, if any.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13 Employee Benefits Expenses

3.13.1 Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.13.2 Post-Employment Benefits

A. Defined contribution schemes

All eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the company contribute monthly at a stipulated percentage of the covered employee's salary. Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability for future provident fund benefits other than its annual contribution.

B. Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lump sum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

3.13.3 Provisions (other than employee benefits)

Accumulated compensated absences

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

3.13.4 Provisions (other than employee benefits)

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.14 Taxes

Income tax expense represents the sum of current tax and deferred tax

3.14.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense



that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.14.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed

at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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.

3.15 Contingent Liabilities and 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 not probable that an outflow of resources will be required to settle the obligation. 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 financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.

3.16 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For 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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.17 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leases that do not transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the sole payments of principal and interest ('the 'SPPI criterion') and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ('the 'SPPI criterion')."

4.2 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life- cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.3 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long- term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.5 Fair value measurement

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.

4.6 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.





Note 5.1: Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	3.71	5.85
Balances with Banks		
- in current accounts	42.95	546.37
Bank deposit with maturity of less than 3 months	-	-
Total	46.66	552.22

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposit with maturity of more than 3 months and less than 12 months*	252.77	131.25
Total	252.77	131.25

^{*}Balance with Banks to the extent held as security against borrowings and guarantee - Rs 236.98 million.

Notes to the Financial Statements for the year ended March 31, 2022

Note 6: Loans

		4 + 0 × 0	CCCC 10 12 17 10 10			**************************************	200 FC 422 AND 40 AND 4	
		As at Ivial	11 3 1, 2022			As at Ivial	1 202 1 7 7 1 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Particulars	Amortised Cost		At Fair value		Amortised Cost		At Fair value	
		Through Other Com- prehensive Income	Through profit or loss	Designated at fair vale through profit or loss		Through Other Com- prehensive Income	Through profit or loss	Designated at fair vale through profit or loss
Housing Loans	9,202.57	ı	1	1	12,615.29	1		ı
Non Housing Loans	1,350.18	1	1	1	1,412.59	1	1	ı
Total - Gross	10,552.75			ı	14,027.88			
Less: Impairment loss allowance	(257.12)	1	1	1	(260.69)	1	1	ı
Total - Net	10,295.63				13,767.19			
Housing and Non Housing Loans								
I) Secured by tangible assets	10,552.75	1	1	1	14,027.88	1	1	ı
II) Secured by intangible assets/ covered by bank/government guarantee/Unsecured	1	ı	1	ı		1	ı	
i) Housing Loans	1	ı	1	ı	1	1	ı	I
ii) Other Loan	ı				1			
Total - Gross	10,552.75	ı			14,027.88	ı		ı
Less: Impairment loss allowance	(257.12)	1	1	1	(260.69)	1	1	ı
Total (III) - Net	10,295.63		•		13,767.19	1		ı
Housing and Non Housing Loans								
i) Public Sector	1		1	ı	1	ı	ı	ı
ii) Others	10,552.75	ı	1	1	14,027.88	1	ı	1
Total - Gross	10,552.75		•		14,027.88			1
Less: Impairment Loss Allowance	(257.12)	ı	ı	ı	(260.69)	1	ı	ı
Total - Net	10,295.63				13,767.19			





for the year ended March 31, 2022

- 6.1 ECL provision is made as per NPA provision norms specified in Housing Finance Companies(NHB) Directions 2010 vide circular number NHB (ND)/DRS/REG/MC-01/2016 dated 01 July 2016 and in accordance with IND AS regulations.
- 6.2 The Company has assigned a pool of certain loans amounting to Rs. 1,679.43 million (Mar 31, 2021: Rs. 1,000 million) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.
- 6.3 Non Housing Loan includes top-up loan given against residential housing property and loan against property.
- 6.4 The company is not granting any loans against gold jewellery as collateral.
- 6.5 The company is not granting any loans against security of shares as collateral.

- 6.6 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Non Housing Loan. The amount of insurance portion is Rs. 844.31 million (Mar 31,2021: Rs. 984.50 million) to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing Loan Portfolio against any eventuality.
- 6.7 In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded in the balance sheet and not treated as non-current assets held for sale.
- 6.8 The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand or without specifying any terms or period of repayment.
- 6.9 The Company has not granted any loans outside India.



for the year ended March 31, 2022

6.10 Credit Quality of Loan Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification.

The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 40.

		As at Marc	at March 31, 2022			As at March 31, 2021	h 31, 2021	
Particulars	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	8,402.95	ı	1	8,402.95	11,584.62	1	ı	11,584.62
Standard grade	518.91	ı	ı	518.91	734.56	ı	ı	734.56
Sub-standard grade	1	464.31	I	464.31	ı	674.52	ı	674.52
Past due but not impaired	1	901.17	I	901.17	ı	428.43	ı	428.43
Non- performing								
Individually impaired	1	ı	309.21	309.21	ı	1	680.94	680.94
Total	8,921.86	1,365.48	309.21	10,596.55	12,319.18	1,102.95	680.94	14,103.07
Ind AS Adjustment				(43.80)	·		ı	(75.19)
Gross Carrying Amount			ı	10,552.75	ı		ı	14,027.88
An analysis of changes in the gross carrying amount and the corresponding ECL allowances, as follows:	g amount and th	າe corresponding	y ECL allowance	s, as follows:				
		As at Marc	at March 31, 2022			As at March 31, 2021	h 31, 2021	
Particulars	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount opening balance	12,319.18	1,102.95	680.94	14,103.07	16,210.61	1,007.02	337.97	17,555.60
New assets originated or purchased/further increase in existing assets	1,435.87	32.88	ı	1,468.75	1,220.20	54.59	ı	1,274.79
Assets derecognised or repaid (excluding write offs)	(4,144.23)	(95.53)	(38.00)	(4,277.76)	(4,247.82)	(13.99)	ı	(4,261.81)
Transfers to Stage 1	272.74	(240.71)	(32.03)	ı	278.13	(269.77)	(8.36)	ı
Transfers to Stage 2	(716.05)	761.71	(45.66)	ı	(772.13)	776.99	(4.86)	I
Transfers to Stage 3	(245.65)	(195.82)	441.47	ı	(348.26)	(445.89)	794.15	ı
Amounts written off	1	ı	(697.51)	(697.51)	(21.55)	(0.00)	(437.96)	(465.51)
Gross carrying amount closing balance	8,921.86	1,365.48	309.21	10,596.55	12,319.18	1,102.95	680.94	14,103.07
Ind AS Adjustment	•			(43.80)	,			(75.19)
Gross Carrying Amount	•	1	•	10,552.75	1		•	14,027.88



for the year ended March 31, 2022

Reconciliation of ECL balance is given below:

		As at Marc	March 31, 2022			As at Marc	As at March 31, 2021	
Particulars	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	37.46	16.23	207.00	260.69	63.34	5.53	110.5	179.37
ECL Remeasurements due to changes in EAD / assumptions	(0.87)	(6.42)	(3.00)	(10.29)	(20.13)	4.53		(15.60)
Transfers to Stage 1	60.0	(24.65)	(2.53)	(27.09)	1.85	(30.09)	(2.35)	(30.59)
Transfers to Stage 2	(0.23)	78.03	(3.61)	74.19	(5.14)	86.68	(1.37)	80.17
Transfers to Stage 3	(0.08)	(20.06)	34.89	14.75	(2.32)	(49.75)	223.45	171.38
Amounts written off	ı	I	(55.13)	(55.13)	(0.14)	(0.67)	(123.23)	(124.04)
ECL allowance - closing balance	36.37	43.13	177.62	257.12	37.46	16.23	207.00	260.69

6.10 A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

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 as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(9)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	8,921.86	36.37	8,885.49	24.07	12.30
	Stage 2	1,365.48	43.13	1,322.35	41.00	2.13
Subtotal		10,287.34	79.50	10,207.84	65.07	14.43
Non-Performing Assets (NPA)						
Substandard	Stage 3	299.82	172.22	127.60	45.74	126.48
Doubtful - up to 1 year	Stage 3	9.39	5.40	3.99	2.80	2.60
Subtotal		309.21	177.62	131.59	48.54	129.08
	Stage 1	8,921.86	36.37	8,885.49	24.07	12.30
Total	Stage 2	1,365.48	43.13	1,322.35	41.00	2.13
	Stage 3	309.21	177.62	131.59	48.54	129.08
	Total	10,596.55	257.12	10,339.43	113.61	143.51
Ind AS Adjustment		(43.80)	1	(43.80)	I	ı
Total		10,552.75	257.12	10,295.63	113.61	143.51

for the year ended March 31, 2022

Note 7: Investments

		As at Mai	As at March 31, 2022			As at Mar	As at March 31, 2021	
Particulars	Amortised		At Fair value		Amortised		At Fair value	a
	Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair vale through profit or loss	Cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair vale through profit or loss
Security Receipts	ı	ı	186.26	ı		ı	208.51	1
Mutual Funds	ı	ı	952.90	ı	ı	ı	315.80	ı
Total Gross (A)			1,139.16	1		1	524.31	
i) Overseas investments		ı	ı	ı	ı	ı	1	1
ii) Investments in India	1	1	1,139.16	ı		1	524.31	1
Total Gross (B)		•	1,139.16	•	1	•	524.31	
Less: Allowance for impairment loss (C)	-	•	7.00	•		•	•	-
Total - Net (D) = (A) - (C)		1	1,132.16	1		1	524.31	

7.1 Details of investment in security receipts are as follows:

Particulars	As at March 31, 2022	31, 2022	As at Marc	As at March 31, 2021
	Units	Amount	Units	Amount
Security Receipts	186258	186.26	208505	208.51
Total		186.26	1	208.51

7.2 Details of investment in mutual funds are as follows:

Particulars	As at March 31, 2022	h 31, 2022	As at March 31, 2021	:h 31, 2021
	Units	Amount	Units	Amount
Aditya Birla Sun Life Mutual Fund	174656.606	200.80	40597.35	45.18
Mirae Asset Mutual Fund	1	1	33331.71	35.14
Sundaram Mutual Fund	1	ı	27518.47	30.12
DSP Mutual Fund	87872.505	100.03	31836.65	35.09
SBI Mutual Fund	58105.032	201.13	20920.01	70.12
ICICI Prudential Mutual Fund	437092.283	50.09	631810.36	70.12
UTI Mutual Fund	1	ı	10658.68	30.03
L&T Mutual Fund	60319.005	100.03	ı	ı
Tata Mutual Fund	89198.646	100.03	ı	ı
Union Mutual Fund	179389.231	200.79	ı	ı
Total		952.90		315.80





(₹ in Millions)

for the year ended March 31, 2022

Note 8: Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	12.90	14.26
Receivable on Assignment of Loans	858.11	622.68
Other financial assets	8.17	1,008.68
Total	879.18	1,645.62



Notes to the Financial Statements

Note 9: Property, plant and equipment

Particulars	Furniture & Fixtures	Leasehold Improvements	Computer	Office Equipment	Building	Servers and Networks	Total
Gross Carrying Amount:							
At April 1, 2020	13.68	68.74	33.70	25.14	2.49	4.09	147.84
Additions	0.99	1.91	0.01	1.00	-	0.01	3.92
Disposals	0.03	3.48	-	0.80	-	-	4.31
At March 31, 2021 (A)	14.64	67.17	33.71	25.34	2.49	4.10	147.45
Additions	1.37	4.73	0.21	0.63	-	-	6.94
Disposals	1.51	12.69	-	2.92	-	-	17.12
At March 31, 2022 (B)	14.50	59.21	33.92	23.05	2.49	4.10	137.27
Depreciation and impairment:							
At April 1, 2020	5.00	22.86	27.18	12.75	0.12	1.97	69.88
Disposals	0.01	1.71	-	0.56	-	-	2.28
Depreciation charge for the year	2.42	12.05	3.76	5.80	0.22	0.84	25.09
At March 31, 2021 (C)	7.41	33.20	30.94	17.99	0.34	2.81	92.69
Disposals	0.84	6.97	-	2.18	-	-	9.99
Depreciation charge for the year	1.93	8.19	0.84	3.00	0.20	0.51	14.67
At March 31, 2022 (D)	8.50	34.42	31.78	18.81	0.54	3.32	97.37
Net book value:							
At March 31, 2020 (A-C)	7.23	33.97	2.77	7.35	2.15	1.29	54.76
At March 31, 2021 (B-D)	6.00	24.79	2.14	4.24	1.95	0.78	39.90

^{9.1} The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. There are no jointly held immovable properties with others.

Note 10: Capital work-in-progress

Ageing Schedule of Capital Work-in-Progress (CWIP)

			As at March 3	1, 2022	
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	At fair through profit or loss
Projects in progress	66.97	-	-	-	66.97
Projects temporally suspended	-	-	-	-	-

Note: The Company do not have any projects whose activity has been completely suspended. The company do not have any projects whose completion is overdue or has exceeded its cost compared to its original plan.

^{9.2} The company has not revalued its Property, Plant and Equipment during the year.

^{9.3} There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.







Notes to the Financial Statements for the year ended March 31, 2022

Note 11: Other Intangible Assets

Particulars	Computer Software and Website Development
Gross Carrying Amount:	
At April 1, 2020	15.70
Additions	1.16
Disposals	-
At March 31, 2021 (A)	16.86
Additions	0.75
Disposals	-
At March 31, 2022 (B)	17.61
Depreciation and impairment:	
At April 1, 2020	9.98
Disposals	-
Depreciation charge for the year	2.84
At March 31, 2021 (C)	12.82
Disposals	-
Depreciation charge for the year	1.83
At March 31, 2022 (D)	14.65
Net book value:	
At March 31, 2021 (A-C)	4.04
At March 31, 2022 (B-D)	2.96

- 11.1 The company has not revalued its Intangible Asset during the year.
- 11.2 The company do not have any intangible asset under development during the year.

Note 12: Other Non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	14.16	29.72
Other receivable	4.74	4.36
Balance from government authorities	12.16	9.80
Total	31.06	43.88

Note 13: Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	33.06	33.12
Total	33.06	33.12

13.1 Trade payables aging schedule

		A	As at March 31,	2022	
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	31.37	0.01	0.23	1.45	33.06
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-



(₹ in Millions)

for the year ended March 31, 2022

		A	As at March 31,	2021	
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	31.40	0.25	0.38	1.09	33.12
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-

Note 14: Debt Securities

	As	at March 31	, 2022	As	at March 31	, 2021
Particulars	At amortised cost	At fair through profit or loss	Designated at fair value through profit or loss	At amortised cost	At fair through profit or loss	Designated at fair value through profit or loss
Secured Non-Convertible Debentures - Listed (Secured by way of pari passu charge over Book Debts of the company	2,420.69	-	-	3,087.84	-	-
Total (A)	2,420.69	-	-	3,087.84	-	-
Debt securities in India	2,420.69	-	-	3,087.84	-	-
Debt securities outside India	-	-	-	-	-	-

14.1 Secured Redeemable Non-Convertible Debentures - Public Issue & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at Rs. 2,170.68 millions (March 31, 2021: 2,837.84 millions).

ISIN	Date of allotment	Amount	Amount	Redemption period	Interest
		As at March 31, 2022	As at March 31, 2021	from the date of allotment	Rate %
INE652X07019	13.05.2019	-	214.66	24 Months	9%-10%
INE652X07027	13.05.2019	356.83	356.83	38 Months	9%-10%
INE652X07035	13.05.2019	457.96	457.96	60 Months	9%-10%
INE652X07043	13.05.2019	-	295.74	24 Months	9%-10%
INE652X07050	13.05.2019	290.95	290.95	38 Months	9%-10%
INE652X07068	13.05.2019	420.59	420.59	60 Months	9%-10%
INE652X07076	13.05.2019	-	156.76	24 Months	NA
INE652X07084	13.05.2019	372.70	372.70	38 Months	NA
INE652X07092	13.05.2019	89.78	89.78	60 Months	NA
INE652X07100	13.05.2019	181.87	181.87	90 Months	NA
	Total	2,170.68	2,837.84		

14.2 Secured Redeemable Non-Convertible Debentures - Private Placement & Listed

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures privately placed stood at Rs. 250 millions (March 31, 2021: Rs. 250 millions).

ISIN	Date of allotment	Amount	Amount	Redemption period	Interest
		As at March 31, 2022	As at March 31, 2021	from the date of allotment	Rate %
INE652X07118	17.06.2020	250.00	250.00	36 Months	8%-9%





Note 15: Borrowings (other than debt securities)

	As	at March 31	, 2022	As	at March 31	, 2021
Particulars	At amortised cost	At fair through profit or loss	Designated at fair value through profit or loss	At amortised cost	At fair through profit or loss	Designated at fair value through profit or loss
(a) Term loan						
(i) from banks	3,755.26	-	-	7,299.54	-	-
(Secured by way of pari passu charge over Book Debts of the company)						
(ii) from financial institutions (Secured by way of pari passu charge over Book Debts of the company)	-	-	-	233.26	-	-
(iii) from National Housing Bank (Secured by way of exclusive charge over Book Debts & Corporate Guarantee from Muthoot Finance Limited)	1,466.41	-	-	1,151.03	-	-
Total (A)	5,221.67	-	-	8,683.83	-	-
Borrowings in India	5,221.67	-	-	8,683.83	-	-
Borrowings outside India	-	-	-	-	-	-

- 15.1 The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.
- 15.2 Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the Registrar of Companies, within the prescribed time or within the extended time requiring the payment of additional fees.
- 15.3 The Company has availed borrowings from banks or financial institutions on the basis of security of current assets (Book debts) and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreements with the books of account of the company.
- 15.4 The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

for the year ended March 31, 2022

Terms of borrowings and repayment as at March 31, 2022

	1									4				14.5	_	4.5	
Original maturity of loan	Interest	Due Witnin I year	ıın ı year	Due 1 to 2 years	z years	Due 2 to 3 years	s years	Due 3 to 4 years	4 years	Due 4 to 5 years	years	Due 5 to 10 years	u years	101		lotal	_
	rate	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amonut	No. of	Amount	No. of	Amount	Ind AS	Amount
		installments		installments		installments		installments		installments		installments		installments		Adjustment	
Term Loan from Banks																	
Monthly repayment schedule	7%-8%	24	169.05	24	169.05	24	169.05	24	169.05	24	169.05	12	84.52	132	929.76		
Quarterly repayment schedule	7%-8%	6	204.70	∞	189.08	∞	189.05	2	35.71					27	618.54		
Half yearly repayment schedule	7%-8%	11	395.83	12	417.07	7	313.00	4	249.27	2	83.33	2	83.33	38	1,541.83		
Yearly repayment schedule	7%-8%	_	166.67	1	166.67	1	166.67	_	166.25					4	666.25		
Term Loan from																	
Financial Instituions																	
Quarterly repayment schedule	7%-8%																
Term Loan from National Housing Bank																	
Quarterly repayment schedule	%2-%9	11	187.18	12	180.12	12	180.12	12	180.12	12	180.12	38	558.75	6	1,466.41		
		99	1,123.43	22	1,121.98	25	1,017.89	43	800.39	38	432.50	52	726.60	298	5,222.79	1.12	5,221.67
Terms of borrowings and repayment as at March 31, 2021	and repayn	าent as at	t March 3	1, 2021													
Original maturity of loan	Interest	Due within 1 year	1 year	Due 1 to 2 years	years	Due 2 to 3 years	years	Due 3 to 4 years	l years	Due 4 to 5 years	years	Due 5 to 10 years) years	Total		Total	
	rate	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount	Ind AS	Amount
	Ξ	installments		installments		installments	_	installments		installments		installments		installments		Adjustment	
Term Loan from Banks																	
Monthly repayment schedule	8%-10%																
Quarterly repayment schedule	%6-%2	37	902.79	25	526.60	24	510.99	21	460.16	6	218.73	8	218.76	124	2,838.03		
Half yearly repayment schedule	%6-%2	12	530.73	12	558.20	12	558.60	∞	454.53	9	391.08	9	283.33	99	2,776.47		
Yearly repayment schedule	%6-%2	4	383.33	4	383.33	4	383.33	4	383.05	_	166.38			17	1,699.42		
Term Loan from Financial Instituions																	
Quarterly repayment schedule	%6-%2	4	133.33	ĸ	100.00									7	233.33		
Term Loan from National Housing Bank																	
Quarterly repayment schedule	2%-7%	9	96.39	∞	128.52	∞	128.52	∞	128.52	∞	128.52	34	540.56	72	1,151.03		
		63	2,046.57	52	1,696.65	48	1,581.44	41	1,426.26	24	904.71	48	1,042.65	276	8,698.28	14.45	8,683.83





Note 16: Other Financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	283.31	271.33
Due to assignees towards collections in derecognised assets	96.56	62.24
Book Overdraft	66.41	59.77
Salary Payable	18.06	8.91
Others	34.95	39.72
Total	499.29	441.97

Note 17: Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity	3.59	3.59
- Provision for compensated absences	3.97	-
Total	7.56	3.59

Note 18: Other Non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	7.39	5.56
Total	7.39	5.56

Note 19: Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised:		
150,000,000 Equity Shares of Rs. 10/- each (March 31, 2021: 150,000,000 Equity Shares of Rs. 10/- each)	1,500.00	1,500.00
Issued, subscribed and fully paid up		
119,155,843 Equity Shares of Rs. 10/- each (March 31, 2021 : 119,155,843 Equity Shares of Rs. 10/- each)	1,191.56	1,191.56
Total Equity	1,191.56	1,191.56

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount in Rs.
As at April 1, 2020	11,91,55,843	1,191.56
Issued during the year	-	-
As at March 31, 2021	11,91,55,843	1,191.56
Issued during the year	-	-
As at March 31, 2022	11,91,55,843	1,191.56

Terms/ rights attached to equity shares

- The Company has only one class of equity shares having par value of Rs.10 per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.





Shares held by holding/ultimate holding company/or their subsidiaries/ associates

Particulars	As at March 31, 2022	As at March 31, 2021
	No. of shares	No. of shares
119,155,843 Equity Shares of Rs. 10/- each (March 31, 2021 : 119,155,843 Equity Shares of Rs. 10/- each)	11,91,55,843	11,91,55,843
Muthoot Finance Limited		

Details of Equity shareholder holding more than 5% shares in the company

Particulars	As at N	/larch 31, 2022	As at I	March 31, 2021
	No. of shares	% holding in the class	No. of shares	% holding in the class
Muthoot Finance Limited	11,91,55,843	100%	11,91,55,843	100%

Details of shares held by promotors

Particulars		As at March 31,	2022
	No. of shares	% of total shares	% change dunring the year
Muthoot Finance Limited	11,91,55,843	100%	Nil

Particulars		As at March 31,	2021
	No. of shares	% of total shares	% change dunring the year
Muthoot Finance Limited	11,91,55,843	100%	Nil

As per the records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

The Company has not issued any shares for consideration other than cash nor there has been any buyback of shares during the five years immediately preceding 31 March 2022

Note 20: Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory reserve (Pursuant to section 29 C of National Housing Bank Act, 1987)*		
Opening balance	318.69	293.59
Add: Transfer from surplus balance in the Statement of Profit and Loss	16.81	25.10
Closing balance	335.50	318.69
Security Premium		
Opening balance	2,146.81	2,146.81
Add: Securities premium received during the year	-	-
Closing balance	2,146.81	2,146.81
Retained Earnings		
Opening balance	727.90	627.50
Add: Profit for the year	84.04	125.50
Less: Appropriation :-		
Transfer to Statutory Reserve	(16.81)	(25.10)
Closing balance	795.13	727.90
Other Comprehensive Income		
Opening balance	1.63	0.59
Add: Other Comprehensive Income for the year before income tax	0.18	1.39
Less: Income Tax on OCI	(0.05)	(0.35)
Closing balance	1.76	1.63
Total	3,279.20	3,195.03





for the year ended March 31, 2022

Note 21: Nature and purpose of reserve

Nature and purpose of Reserves

Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

* Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The company has transferred an amount of Rs. 16.81 million to special reserve in terms of Section 29C (i) of NHB Act 1987.

2,145.57

2,129.82 15.75

Total

Notes to the Financial Statements

for the year ended March 31, 2022

Note 22: Interest income

		For the year en	For the year ended March 31, 2022			or the year end	For the year ended March 31, 2021
Particulars	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income or Financial Assets classified at fair value through profit or loss
Interest on Loans:							
Interest income on loans	1	1,626.25	1	1,626.25	1	2,129.82	1
Interest on deposits with Banks	1	11.87	ı	11.87	1	15.75	1
Total	1	1,638.12		1,638.12		2,145.57	
Note 23: Net gain on fair value changes	changes						
Particulars			For the Mai	For the year ended March 31, 2022	For the year ended March 31, 2021	ded 021	
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss	ıstruments at fair v	alue through profit	or loss				
On investment portfolio				ı		1	
- Investments in Mutual Funds				13.93	01	9.94	
- Security Receipts				(7.00)		1	
Total Net gain/(loss) on fair value changes	changes			6.93	01	9.94	
Fair Value changes:							
- Realised				11.03	01	9.94	
- Unrealised				(4.10)		1	
Total Net gain/(loss) on fair value changes	alue changes			6.93	01	9.94	
Note 24: Other Income							
Particulars			For the Mar	For the year ended March 31, 2022	For the year ended March 31, 2021	Jed 021	
Bad debts recovered				43.79	10	10.14	
Other interest income				0.89		1.37	
Other income				45.72	31	31.74	
Total				90.40	43	43.25	



Notes to the Financial Statements for the year ended March 31, 2022

Note 25: Finance Cost

	For the year	ended March 31, 2022		For the ye	For the year ended March 31, 2021	
Particulars	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on Loan from Banks	·	458.23	458.23	ı	816.61	816.61
Interest on Loan from Financial Instituions		13.21	13.21	ı	36.59	36.59
Interest on Refinance from NHB	ı	71.63	71.63		51.02	51.02
Interest on Debt Securities	·	251.67	251.67	ı	302.45	302.45
Interest on Inter Corporate Deposits		0.02	0.02	ı	0.31	0.31
Other borrowing costs	ı	13.12	13.12	ı	17.64	17.64
Total	•	807.88	807.88	•	1,224.62	1,224.62

Note 26: Impairment of financial instruments and write off

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument.

	For the year	ended March 31, 2022		For the year	For the year ended March 31, 2021	
Particulars	On Financial insrtruments measured at fair value through OCI	On Financial insrtruments measured at Amortised Cost	Total	On Financial insrtruments measured at fair value through OCI	On Financial insrtruments measured at Amortised Cost	Total
Loans	ı	693.95	693.95	ı	507.14	507.14
Investments	ı	9.80	9.80	·	ı	ı
Total		703.75	703.75		507.14	507.14

Note 27: Employee Benefit Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages	266.60	326.18
Contributions to Provident and Other Funds	10.61	10.72
Gratuity Expenses	1.67	2.32
Staff Welfare Expenses	4.73	4.40
Total	283.61	343.62



for the year ended March 31, 2022

Note 28 Depreciation, amortization and impairment

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Tangible Assets	14.68	25.08
Amortization of Intangible Assets	1.83	2.84
Total	16.51	27.92

Note 29: Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	45.61	49.21
Electricity Charges	5.20	5.60
Business Promotion Expenses	0.06	0.15
Advertisement	6.61	0.22
Repairs & Maintenance	5.72	7.48
Credit Rating Fees	3.14	3.38
Credit Verification Charges	4.31	3.18
Postage, Telegram and Telephone	5.36	5.73
Printing and Stationery	3.05	1.81
Rates & Taxes	1.33	2.04
Legal & Professional Charges	68.71	29.35
Travelling and Conveyance	6.64	3.46
Bank Charges	1.64	1.52
Franking & Stamp Paper Charges	0.10	0.70
General Office Expenses	0.65	6.72
House Keeping Charges	3.58	2.88
Vehicle Hire & Maintenance	0.27	0.17
Payments to Auditor (Refer note 28.1)	0.88	1.18
Directors' Sitting Fee	1.16	0.85
Commission	0.67	0.31
IT Infrastructure and Maintenance Charges	4.80	2.84
Technical Verification charges	5.78	2.32
Loss on sale of asset	6.47	1.85
CSR Expense (Refer note 28.2)	7.20	9.03
Total	188.94	141.98

29.1 Auditor fees

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor:		
Statutory audit (including Limited Review)	0.65	0.65
Tax audit	0.16	0.16
Other Services	0.07	0.37
Total	0.88	1.18







Notes to the Financial Statements

for the year ended March 31, 2022

29.2 Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the company during the year	7.20	9.03
Amount unspent/ (excess spent) carried forward from		
earlier years	-	-
Amount actually spent during the year	7.20	9.03
(Excess amount spent carried forward)/ Short fall	-	-
Reason for shortfall	NA	NA
Related party transactions - Muthoot M George		
Foundation	7.20	9.03
Provision made for liability incurred	NA	NA
Nature of CSR Activities	For the year ended March 31, 2022	For the year ended March 31, 2021
Promotion of Education	3.67	4.44
Promotion of Health Care including Preventive Health Care	2.19	4.38
Promotion of gender equality & empowerment of women	1.29	0.21
Promotion of rural / nationalised sports	0.05	-
Total	7.20	9.03

Note 30: Income Tax

The Components of Income tax expenses for the year ended March 31, 2022 and year ended March 31, 2021 are:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	-	13.10
Deferred tax relating to origination and reversal of temporary differences	24.06	30.06
Income tax expense reported in statement of profit and loss	24.06	43.16
OCI Section		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(0.05)	(0.35)
Income tax charged to OCI	(0.05)	(0.35)

Reconciliation of the total tax charge:

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 tax rate applicable to the company. A reconciliation between the tax expense and the accounting profit multiplied by substantively enacted tax rate for the year ended March 31, 2022 and year ended March 31, 2021 is, as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before tax	100.97	168.66
Statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	25.41	42.45
Effect of unrecognised deferred tax assets	(3.54)	(4.05)
Additional deduction under Income tax act	-	-
Effect of change in tax rate	-	-
Others	2.19	4.76
Income tax expense reported in the statement of profit or loss	24.06	43.16

The effective income tax rate for March 31, 2022 is 23.83% (March 31, 2021: 25.59%).



for the year ended March 31, 2022

Note 31: Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	Balance sheet		Statement of p	orofit and loss
	As at March 31, 2022	As at March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Fixed assets: Impact of difference between tax depreciation and	11.60	9.84	(1.76)	(2.35)
depreciation as per books of account				
Statutory Reserve	(62.31)	(62.31)	-	4.41
Interest spread on assigned loans	(215.97)	(156.72)	59.25	36.90
Provision for NPA	53.20	50.94	(2.26)	(23.13)
Prepaid expense	(0.78)	(1.01)	(0.23)	(0.36)
Security Deposit	1.02	1.13	0.11	0.34
Bank Borrowings	(0.28)	(3.64)	(3.36)	(1.39)
Housing Loans processing fees	11.02	18.92	7.90	10.91
Provision for Gratuity	1.78	1.41	(0.37)	(0.24)
Provision for Leave Encashment	1.00	-	(1.00)	-
Tax on carry forward loss	34.17	-	(34.17)	5.32
Net deferred tax asset / (liabilities)	(165.55)	(141.44)		
Deferred tax charge/(credit)			24.11	30.41

Reconciliation of deferred tax assets/(liabilities)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance as of 1 April	(141.44)	(111.03)
Tax income/(expense) during the year recognised in profit or loss	(24.06)	(30.06)
Tax income/(expense) during the year recognised in OCI	(0.05)	(0.35)
Closing balance as of 31 March	(165.55)	(141.44)

Note 32: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit attributable to ordinary equity shareholders	84.04	125.50
Weighted average number of ordinary shares for basic earnings per share	11,91,55,843	11,91,55,843
Effect of dilution:		
Weighted average number of ordinary shares adjusted for effect of dilution	11,91,55,843	11,91,55,843
Earnings per share		
Basic earnings per share (Rs.)	0.71	1.05
Diluted earnings per share (Rs.)	0.71	1.05





for the year ended March 31, 2022

Note 33: Retirement Benefit Plan

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan in Indian Rupees.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	1.56	2.15
Interest cost on benefit obligation	0.23	0.25
Expected return on plan assets	(0.11)	(0.08)
Past Service Cost	-	-
Net actuarial (gain)/loss recognized in the year	(0.18)	(1.39)
Net (benefit) / expense	1.50	0.93
Actual return on plan assets2	0.19	0.08

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	6.34	5.35
Fair value of plan assets	2.75	1.76
Asset/ (liability) recognized in the balance sheet	(3.59)	(3.59)
Experience adjustments on plan liabilities (gain)/ loss	(0.16)	(0.16)
Experience adjustments on plan assets gain / (loss)	NA	NA

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	5.35	4.66
Transfer in/ (out)	-	-
Current service cost	1.56	2.15
Interest Cost	0.23	0.25
Benefits paid	(0.70)	(0.32)
Past Service Cost	-	-
Actuarial loss / (gain) on Re-measurements	(0.10)	(1.39)
Closing defined benefit obligation	6.34	5.35

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of plan assets	1.76	-
Transfer in/Out	-	-
Expected return	0.11	0.08
Contributions by employer	1.50	2.00
Benefits paid	(0.70)	(0.32)
Actuarial gain/ (loss)	0.08	-
Closing fair value of plan assets	2.75	1.76



for the year ended March 31, 2022

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	4.6% p.a	4.3% p.a
Salary Growth Rate	7% p.a.	7% p.a.
Attrition / Withdrawal Rate	38% p.a.	38% p.a.
Expected rate of return on Assets	4.3% p.a	5.3% p.a

Assumptions	Discount rate		Future sala	ry increases
Sensitivity Level	1% increase	1% increase	1% increase	1% increase
Impact on defined benefit obligation (March 31, 2022)	DBO decreases by	DBO increases by	DBO increases by	DBO decreases by
	Rs 0.19	Rs 0.20	Rs 0.19	Rs 0.19
Impact on defined benefit obligation (March 31, 2021)	DBO decreases by	DBO increases by	DBO increases by	DBO decreases by
	Rs 0.20	Rs 0.21	Rs 0.20	Rs 0.20

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 2 years (March 31, 2021: 2 years)

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.





for the year ended March 31, 2022

Note 34: Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled and considering contractual terms. For Loans and advances to customers, maturity analysis is based on expected repayment behaviour.

	As a	t March 31, 20)22	As a	t March 31, 202	1
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	46.66	-	46.66	552.22	-	552.22
Bank Balance other than above	0.55	252.22	252.77	131.25	-	131.25
Loans	1,681.03	8,614.60	10,295.63	2,013.03	11,754.16	13,767.19
Investments	1,062.90	69.26	1,132.16	425.80	98.51	524.31
Trade receivables	-	-	-	-	-	-
Other financial assets	126.40	752.78	879.18	1,097.48	548.14	1,645.62
Non-financial Assets						
Current tax assets (Net)	78.68		78.68	60.67	-	60.67
Property, plant and equipment	-	39.90	39.90	-	54.76	54.76
Capital Work In Progress	66.97	-	66.97	-	-	-
Other intangible assets	-	2.96	2.96	-	4.04	4.04
Other non financial assets	23.79	7.27	31.06	31.10	12.78	43.88
Total assets	3,086.98	9,738.99	12,825.97	4,311.55	12,472.39	16,783.94
Liabilities						
Financial Liabilities						
Trade Payable	33.06	-	33.06	33.12	-	33.12
Borrowings (other than debt securities)	1,122.90	4,098.77	5,221.67	2,099.76	6,584.07	8,683.83
Debt securities	1,020.47	1,400.22	2,420.69	667.15	2,420.69	3,087.84
Other Financial liabilities	398.71	100.58	499.29	242.38	199.59	441.97
Non-financial Liabilities						
Provisions	2.00	5.56	7.56	-	3.59	3.59
Deferred tax liabilities (net)	-	165.55	165.55	-	141.44	141.44
Other non-financial liabilities	7.39	-	7.39	5.56	-	5.56
Total Liabilities	2,584.53	5,770.68	8,355.21	3,047.97	9,349.38	12,397.35
Net Worth			4,470.76			4,386.59



Note 35: Change in liabilities arising from financing activities

Particulars	As at March 31, 2021	Cash Flows	Other	As at March 31, 2022
Borrowings other than debt securities	8,683.83	(3,475.48)	13.32	5,221.67
Debt securities	3,087.84	(667.15)	-	2,420.69
Other Financial liabilities	441.97	57.32	-	499.29
Total liabilities from financing activities	12,213.64	(4,085.31)	13.32	8,141.65

Note 36: Contingent liabilities and commitments

(A) Contingent Liabilities

i. Claims against the company not acknowledged as debts:

Demand raised against the company amounting to Rs. 283.90 million on account of Income tax dues, disputed on Appeal before CIT (A) for the AY 18-19 (March 31, 2021: Rs. 283.90 million).

The above demand is disputed by the company and the matter is pending in appeal before the appellate authorities. In the opinion of the management and based on legal advice received, the company is expecting to get full relief and hence no provision has been made in this regard.

ii. Counter guarantees in favour of banks for guarantees issued by banks of Rs. 225 million (March 31, 2021: Rs. 125 million)

(B) Commitments

- i. Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for: Rs. 251.92 million (March 31, 2021 :Nil)
- ii. Undrawn committed sanctions to borrowers: Rs. 220.36 million (March 31, 2021 :Rs. 262.11 million)

(C) Lease Disclosures:

Finance Lease:

The Company has not taken or let out any assets on financial lease.

Operating Lease

Lease Disclosure under Ind AS 116

All operating lease agreements entered into by the company are considered as short term and are cancellable in nature. Consequently, the Company has not recognised any right-of-use asset and lease liability during the year.

Lease rental payments for assets taken on an operating lease of Rs. 45.61 million (March 31, 2021: Rs.49.21 million) are recognized as Rent in the Statement of Profit & Loss

Note 37: Related Party Disclosures

Name of the entity	Name of relationship
Muthoot Finance Limited	Holding Company
Muthoot Insurance Broker Private Limited	Fellow Subsidiary
Belstar Microfinance Limited	Fellow Subsidiary
Asia Asset Finance PLC	Fellow Subsidiary
Muthoot Money Limited	Fellow Subsidiary
Muthoot Trustee Private Limited	Fellow Subsidiary
Muthoot Asset Management Private Limited	Fellow Subsidiary
Muthoot M George Foundation	Enterprises owned or significantly influenced by key management personnel or their relatives
b) Name of the Key management personnel (KMP)	
Mr. George Alexander Muthoot	Non executive Director
Mr. George Thomas Muthoot	Non executive Director
Mrs. Anna Alexander	Non executive Director
Mr. K.R Bijimon	Non executive Director







Notes to the Financial Statements

for the year ended March 31, 2022

Name of the entity	Name of relationship
Mr. Eapen Alexander	Whole-time Director
Mr. Jose Kurian	Independent Director
Mr. Jacob K Varghese	Independent Director
Mr. V. C. James	Independent Director
Mr. Rajeev Khond (appointed on 01st June 2021)	Chief Executive Officer
Mr. Vikram Rooprai (resigned on 01st June 2021)	Interim Chief Executive Officer
Mr. Pandurang A Kadam	Chief Financial Officer
Mrs Jinu Mathen	Company Secretary

Related Party transactions during the year:

	Holding	Company		nagement onnel	Fellow S	ubsidiary	significantly i	owned or influenced by agement their relatives
Particulars	As at March 31, 2022	As at March 31, 2021						
Directors Remuneration	-	-	-	2.10	-	-	-	-
Sitting fees to Non-executive Directors	-	-	1.06	0.78	-	-	-	-
ICD taken	100.00	370.00	-	-	-	-	-	-
ICD repaid	100.00	370.00	-	-	-	-	-	-
Interest paid on ICD	0.02	0.31	-	-	-	-	-	-
CSR Contribution	-	-	-	-	-	-	7.20	9.03
Loan Given	-	-	-	-	1,200.00	1,200.00	-	-
Loan received back	-	-			1,200.00	1,200.00	-	-
Interest collected on loan given	-	-	-	-	23.59	53.23	-	-
Processing fee collected on loan given	-	-	-	-	-	0.90	-	-
Rent on account of infrastructure sharing	-	-	-	-	0.06	0.07	-	-
Share of Housekeeping chages	-	-	-	-	0.04	-	-	-
Balance outstanding as at the year end:								
Term Loan Outstanding	-	-	-	-	-	-		
ICD Payable	-	-	-	-	-	-		
Sitting Fees Payable	-	-	-	-	-	-		
Rent payable	-	-	-	-	-	-		
Corporate Guarantee Taken	2,250	1,250	-	-	-	-		

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available. a)
- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Compensation of key management personnel of the Company:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IND AS 24 Related Party Disclosures.

Particulars	As at March 31, 2022	As at March 31, 2021
Contribution to PF (defined contribution)	0.33	0.29
Short term benefits	11.80	20.07
Termination benefits	0.22	0.69
Total	12.35	21.05



for the year ended March 31, 2022

Note 38: Capital Risk Management

Capital Management

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Particulars	Numerator (As at March 31, 2022)	Denominator (As at March 31, 2022)	As at March 31, 2022	As at March 31, 2021	% Variances	Reason for variances (if above 25%)
(i) Capital to risk-weighted asset ratio (CRAR)	4,494.77	7,448.49	60.34%	49.75%	10.59%	NA
(ii) Tier I CRAR	4,453.65	7,448.49	59.79%	49.15%	10.64%	NA
(iii) Tier II CRAR	41.12	7,448.49	0.55%	0.61%	-0.06%	NA
(iv) Liquidity coverage ratio	299.43	269.37	111.16%	309.21%	-198.05%	Refer point below

^{*}Liquidity Coverage Ratio is reduced due to reduction in Cash kept in Bank current account

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the NHB.

Note 39: Fair Value Measurement

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 Hierarchy of assets and liabilities

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2022 is as follows:

Particulars		At F	VTPL	
	Level-1	Level-2	Level-3	Total
Investment in Mutual Funds	952.90	-	-	952.90
Investment in Security Receipts	-	179.26	-	179.26

The carrying amount and fair value measurement hierarchy for assets and liabilities as at March 31, 2021 is as follows:

Particulars		At F	VTPL	
	Level-1	Level-2	Level-3	Total
Investment in Mutual Funds	315.80	-	-	315.80
Investment in Security Receipts	-	208.51	-	208.51

Fair value technique

Investment at fair value through profit and loss

For investment at fair value through profit and loss, valuation are done using valuation techniques at the measurement date. Valuation techniques include market comparable method, recent transactions happened in the Company and other valuation models. Valuation is also done using quoted prices from active markets at the measurement date.







for the year ended March 31, 2022

Fair value of financial instruments 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 not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	Level	Carryin	g Value	Fair \	/alue
Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets					
Cash and cash equivalents	2	46.66	552.22	46.66	552.22
Bank Balance other than above	2	252.77	131.25	252.77	131.25
Loans	3	10,295.63	13,767.19	10,295.63	13,767.19
Other Financial assets	2	879.18	1,645.62	879.18	1,645.62
Total Financial Assets		11,474.24	16,096.28	11,474.24	16,096.28
Financial Liabilities					
Trade Payable	3	33.06	33.12	33.06	33.12
Debt securities	2	2,420.69	3,087.84	2,420.69	3,087.84
Borrowings (other than debt security)	2	5,221.67	8,683.83	5,221.67	8,683.83
Other Financial liabilities	2	499.29	441.97	499.29	441.97
Total Financial Liabilities		8,174.71	12,246.76	8,174.71	12,246.76

There have been no transfers between the level 1, 2 and 3 during the period.

The fair value of cash and cash equivalents, bank balances, trade receivables, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Hence carrying value of these approximates fair value.

Investments

Investments in liquid, short- term mutual funds and security receipts, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Loans

The company provides housing loans at variable rate of interest. Hence, the fair value of the loans will be same as the carrying value of loan.

Note 40: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

The Company's principal financial liabilities comprise loans and borrowings. The main purpose of these financial liabilities is to finance the company's operations. At the other hand Company's principal financial assets include loans and cash and cash equivalents that derive directly from its operations. The Company has a risk management policy which covers risk 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, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are credit risk, liquidity risk,market risk and operational and Business risk.

A) Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity



for the year ended March 31, 2022

is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances and trade receivables.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Risk assessment and measurement

The Company is having a robust risk assessment framework to address each of the identified risks. The following is the framework implemented in order to ensure completeness and robustness of the risk assessment.

- Selection of client base Adequate due diligence is carried out for borrowers and regulatory checks are done.
- Credit assessment credit rating and credit bureau check
- Follow up and regular monitoring of the borrowers through their regularity of payments

Risk Mitigation

The following risk mitigation measures has been suggested at each stage of loan life cycle:

- Loan Origination site screening, independent visit by manager, adequate training to officers.
- Loan underwriting Risk rating, independent assessment, etc.
- Loan Pre and Post Disbursement disbursement at the branch premises and in the bank account only, tracking to avoid misuse of funds,
- Loan monitoring credit officers to attend group meeting, reminder of payment of EMI's on time, etc.
- Loan collection and recovery monitor repayments, confirmation of balances,

Impairment assessment

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loans Days past due	Stages
High grade	Not yet due	Stage I
Standard grade	1-30 DPD	Stage I
Sub-standard grade	31-60 DPD	Stage II
Past due but not impaired	61-90 DPD	Stage II
Individually impaired	91 DPD or More	Stage III



Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and purchase of credit impaired asset (POCI) financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Company uses historical information where available to determine PD. For certain pools where historical information is available, the PD is calculated using Incremental NPA approach considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

B) Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability Liquidity risk refers to the risk that the Company may not meet its financial 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. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies 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 ensure the compliance with the prescribed regulatory requirement. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

Notes to the Financial Statements for the year ended March 31, 2022

The table below provides details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of assets and liabilities as on March 31, 2022:

Borrowings (other than debt securities)		months	months	to 1 year	years	years	years	Total	Adjustment	lotal
	14.09	243.65	322.06	477.45	2,139.86	1,232.89	726.61	5,222.79	1.12	5,221.67
Debt securities	ı		1,020.47		1,218.35	181.87		2,420.69	ı	2,420.69
Other financial liabilities 137.36	111.43	27.52	122.40		30.66	69.92		499.29	1	499.29
Loans 131.21	148.22	148.22	421.13	842.26	2,099.32	1,991.32	4,557.75	10,339.43	43.80	10,295.63
Investments 70.00	25.00	180.00	707.90	80.00	69.26	1	1	1,132.16	ı	1,132.16
Other financial assets 15.00	10.00	10.00	31.40	00.09	240.00	240.00	272.78	879.18	ı	879.18

Maturity pattern of assets and liabilities as on March 31, 2021:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total	Ind AS Adjustment	Total
Borrowings (other than debt securities)	han 44.38	66.63	371.08	546.92	1,017.57	3,278.09	2,330.97	1,042.64	8,698.28	14.45	8,683.83
Debt securities	1	667.15	1			1,270.47	968.35	181.87	3,087.84	1	3,087.84
Other financial liabilities	lities 104.99	171.43	6.28	19.45	ı	74.06	20.04	45.72	441.97	1	441.97
Loans	177.94	184.93	184.93	509.73	979.07	2,517.62	2,420.18	6,867.98	13,842.38	75.19	13,767.19
Investments	ı	315.80	10.00	20.00	80.00	98.51			524.31	I	524.31
Other financial assets	rts 1,008.86	7.40	7.40	29.42	44.40	177.60	177.60	192.94	1,645.62	ı	1,645.62

The table below shows the contractual expiry by maturity of the Company's commitments.

Particulars	On demand	On demand Less than 3 months	3 to 12 months 1 to 5 years	1 to 5 years	Over 5 years	Total
31-Mar-22				A	,	
Other undrawn commitments to lend	1	132.22	88.14	1	1	220.36
Total commitments		132.22	88.14			220.36
31-Mar-21						
Other undrawn commitments to lend	1	157.26	104.85	ı	1	262.11
Total commitments		157.26	104.85			262.11







for the year ended March 31, 2022

C) 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, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate 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 seek 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.

Due to the very nature of housing finance, the company is exposed to moderate to higher Interest Rate Risk. This risk has a major impact on the balance sheet as well as the income statement of the company. Interest Rate Risk arises due to:

- i) Changes in Regulatory or Market Conditions affecting the interest rates
- ii) Short term volatility
- iii) Prepayment risk translating into a reinvestment risk
- iv) Real interest rate risk.

In short run, change in interest rate affects Company's earnings (measured by NII or NIM) and in long run it affects Market Value of Equity (MVE) or net worth. 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. Further company carries out Earnings at risk analysis and maturity gap analysis at quarterly intervals to quantify the risk.

Finance department ensures that the risk is mitigated by availing funds at very competitive rates through diversified instruments and by retaining a high credit rating.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of loans and borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings, as follows:

Impact on profit before tax	For the year ended March 31, 2022	For the year ended March 31, 2021
On Loans and Advances		
1% increase	129.14	165.95
1% decrease	(129.14)	(165.95)
On Borrowings		
1% increase	97.33	134.60
1% decrease	(97.33)	(134.60)

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.



for the year ended March 31, 2022

D) Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

Note 41: Micro Enterprises and Small Enterprises

Based on and to the extent of information received by the Company from the Suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006(MSMED Act) there are no amounts due to the suppliers registered under MSMED Act, 2006 as on 31.03.2022.

Note 42: Impact of COVID-19

The Covid-19 pandemic have resulted in significant number of cases in India. The impact of the same is uncertain and will depend on on-going as well as future developments. The Company believes that it has taken into account all the possible impact of known events arising out of COVID-19 pandemic in the preparation of these results. However the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

Note 43: Restructuring of Loan Accounts

The economic fallout on account of the Covid-19 pandemic has led to significant financial stress for borrowers across the board. RBI in view of same on 6 August 2020 and 5 May 2021 came up with resolution plan Framework for COVID-19-related Stress. The intent was to facilitate revival of real estate sector activities and mitigate the impact on the ultimate borrowers, it has been decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible borrowers.

In accordance with Resolution Framework for COVID-19 announced by RBI on 6 August 2020 and 5 May 2021, the Company has implemented one-time restructuring for certain eligible borrowers identified in accordance with the above framework

Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6 August 2020 and 05 May 2021 are given below.

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 borrower 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
Others - Housing Loan/ Non Housing Loans	422.79	32.11	21.19	22.81	394.76

Note 44: Segment Information

The Company is mainly engaged in the housing finance business and all other activities are incidental to the main business activities of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 - "Operating Segments" specified under Section 133 of the Act.

Note 45: Utilisation of proceeds of Private Placement of Non - Convertible Debentures

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

Note 46: Scheme of arrangements

There are no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

Note 47: Utilisation of Borrowed funds and share premium

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any



Notes to the Financial Statements

(₹ in Crores)

for the year ended March 31, 2022

manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 48: Undisclosed Income

The Company do not have any transaction which are not recorded in the books of account that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

Note 49: Details of Crypto Currency or Virtual Currency

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year.

Note 50: Compliance with number of layers of companies

The Company is a wholly owned subsidiary of Muthoot Finance Limited, a non-banking financial company as defined in clause (f) of Section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934) which is registered with the Reserve Bank of India and considered as systematically important non-banking financial company by the Reserve Bank of India to which the Companies (Restriction on number of Layers) Rules, 2017 is not applicable. The Company do not have any subsidiaries. Hence compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year.

Note 51: Disclosures pursuant to Reserve Bank of India (RBI) Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021

The disclosure requirements pursuant to Master Direction RBI/2020-21/73 DOR.FIN.HFC.CC.No. 120/03.10.136/2020-21 dated 17 February 2021 (as amended from time to time), issued by the RBI is given in annexure A.

Note 52: Previous year figures have been regrouped/ reclassified, wherever necessary to be in conformity with current year's disclosure.

As per our Report of even date

For and on behalf of Board of Directors of Muthoot Homefin (India) Limited

For Kolath & Co **Chartered Accountants**

(FRN: 008926S)

Santhi Elizabeth Liju

Partner

M. No. 210978

UDIN: 22210978AINKEM7991

Place: Kochi

Date: May 06, 2022

George Alexander Muthoot

Director

DIN: 00016787

Pandurang Kadam

Chief Financial Officer

Eapen Alexander

Whole Time Director DIN: 03493601

Jinu Mathen

Company Secretary





Notes to the Financial Statements

for the year ended March 31, 2022

Annex III Schedule to Balance Sheet of a HFC

Corporate Overview

		Particulars Particulars		
		Liabilities Side	Amount outstanding	Amount overdue
(1)	Loa	ns and advances availed by the HFC inclusive of interest accrued thereon but not		
	(a)	Debentures : Secured	242.07	
	(a)	: Unsecured	242.07	
	(b)	Deferred Credits		
	(c)	Term Loans	522.17	
	(d)	Inter-corporate loans and borrowing	-	
	(e)	Commercial Paper		
	(f)	Public Deposits		
	- '	<u> </u>	<u>-</u>	
(2)		Other Loans (specify nature) ak-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued	-	
		reon 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	-	
		Assets Side	Amount C	Outstanding
(3)	belo	_ -		
	(a)	Secured		1,055.28
	(b)	Unsecured		
(4)	Brea	ak up of Leased Assets and stock on hire and other assets counting towards et 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		
	(iii)	Other loans counting towards asset financing activities		
		a) Loans where assets have been repossessed		
		b) Loans other than (a) above		
(5)		ak-up of Investments		
	Curi	rent Investments		
	1	Quoted		
		(i) Shares		
		(a) Equity (b) Preference		
		(iii) Units of mutual funds (iv) Government Securities		95.29
		(v) Others (please specify)		
	2	Unquoted		
	2	(i) Shares		
		a) Equity		
		b) Preference		
		(ii) Debentures and Bonds		
		(iii) Units of mutual funds		
		(iv) Government Securities		
		(v) Others (Security Receipts of Trust)		6.93



(₹ in Crores)

Notes to the Financial Statements for the year ended March 31, 2022

	LOII	ng Terr	n Investments			
	1	Quot	ted			
		i)	Shares			
			a) Equity			-
			b) Preference			-
		ii)	Debentures and Bonds			-
		iii)	Units of mutual funds			_
		iv)	Government Securities			-
		v)	Others (please specify)			
	2		uoted			
		(i)	Shares			
		()	(a) Equity			
			(b) Preference			
		(ii)	Debentures and Bonds			-
		(iii)	Units of mutual funds			
		(iv)	Government Securities			
		(v)	Others (Security Receipts of Trust)			11.00
(6)	Bor	. ,	r group-wise classification of assets financed a	as in (3) and (4) above:		11.00
(0)	БОІ	TOVVE	Category		unt net of Pro	visions
			category	Secured	Unsecured	Total
	1	Rela	ated Parties	Scarca	Onsecureu	Total
	_	(a)	Subsidiaries		_	
		(b)	Companies in the same group			
		(c)	Other related parties			
		. ,	•	<u> </u>		-
			ar than rolated parties	1 020 56		1 020 56
	2	Otne	er than related parties	1,029.56	-	1,029.56
(7)			Total	1,029.56	in shares an	1,029.56
(7)	Inve	estor	•	1,029.56	in shares an	1,029.56
(7)	Inve	estor	Total group-wise classification of all investments	1,029.56 (current and long term) Market Value /	Break up or	1,029.56 d securities (both Book Value (Net
(7)	Inve	estor oted a	Total group-wise classification of all investments nd unquoted): Category	1,029.56 (current and long term) Market Value /		1,029.56 d securities (both
(7)	Inve	estor oted a Rela	Total group-wise classification of all investments nd unquoted): Category ated Parties	1,029.56 (current and long term) Market Value /	Break up or	1,029.56 d securities (both Book Value (Net
(7)	Inve	estor oted a Rela	Total group-wise classification of all investments nd unquoted): Category Ited Parties Subsidiaries	1,029.56 (current and long term) Market Value /	Break up or	1,029.56 d securities (both Book Value (Net
(7)	Inve	estor oted a Rela a) b)	Total group-wise classification of all investments nd unquoted): Category Ited Parties Subsidiaries Companies in the same group	1,029.56 (current and long term) Market Value /	Break up or	1,029.56 d securities (both Book Value (Net
(7)	Invo quo	Rela a) b) c)	Total group-wise classification of all investments nd unquoted): Category Ited Parties Subsidiaries Companies in the same group Other related parties	1,029.56 (current and long term) Market Value /	Break up or alue or NAV - -	1,029.56 ad securities (both Book Value (Net of Provisions)
(7)	Inve	Rela a) b) c)	Total group-wise classification of all investments nd unquoted): Category Ated Parties Subsidiaries Companies in the same group Other related parties er than related parties	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions)
	1	Rela a) b) c) Othe	Total group-wise classification of all investments nd unquoted): Category Ited Parties Subsidiaries Companies in the same group Other related parties er than related parties Total	1,029.56 (current and long term) Market Value /	Break up or alue or NAV - -	1,029.56 ad securities (both Book Value (Net of Provisions)
	1	Rela a) b) c) Othe	Total group-wise classification of all investments nd unquoted): Category Ated Parties Subsidiaries Companies in the same group Other related parties er than related parties	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions) 113.22
	Invo quo	Rela a) b) c) Other	Total group-wise classification of all investments nd unquoted): Category Ited Parties Subsidiaries Companies in the same group Other related parties er than related parties Total formation Particulars	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions)
	1	Rela a) b) c) Other	Total group-wise classification of all investments and unquoted): Category Ated Parties Subsidiaries Companies in the same group Other related parties er than related parties Total formation Particulars as Non-Performing Assets	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions) 113.22
	Invo quo	Rela a) b) c) Other	Total group-wise classification of all investments nd unquoted): Category Ited Parties Subsidiaries Companies in the same group Other related parties er than related parties Total formation Particulars ss Non-Performing Assets Related parties	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions) 113.22
	Invegue 1	Rela a) b) c) Other	Total group-wise classification of all investments nd unquoted): Category Inted Parties Subsidiaries Companies in the same group Other related parties er than related parties Total formation Particulars ss Non-Performing Assets Related parties Other than related parties	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions) 113.22 113.22 Amount
	Invo quo	Rela a) b) c) Other	Total group-wise classification of all investments and unquoted): Category Ated Parties Subsidiaries Companies in the same group Other related parties er than related parties Total formation Particulars as Non-Performing Assets Related parties Other than related parties Non-Performing Assets	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions) 113.22 113.22 Amount
(8)	Invegue 1	Rela a) b) c) Other	Total group-wise classification of all investments nd unquoted): Category Inted Parties Subsidiaries Companies in the same group Other related parties er than related parties Total formation Particulars ss Non-Performing Assets Related parties Other than related parties	1,029.56 (current and long term) Market Value /	Break up or alue or NAV	1,029.56 ad securities (both Book Value (Net of Provisions) 113.22 113.22 Amount

(₹ in Crores)



for the year ended March 31, 2022

Annexure A as referred in Note 51

1. Minimum Disclosures

The following additional disclosures have been given under the Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India vide Circular No: DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021. The following numbers are in crores in accordance with above mentioned RBI circular.

2. Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 3 to Financial Statement for the year ended March 31, 2022.

3. Disclosures:

3.1 Capital

Particulars	As at March 31, 2022	As at March 31, 2021
(i) CRAR (%)	60.34%	49.76%
(ii) CRAR – Tier I Capital (%)	59.79%	49.15%
(iii) CRAR – Tier II Capital (%)	0.55%	0.61%
(iv) Amount of subordinated debt raised as Tier - II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

3.2 Reserve Fund u/s 29C of NHB Act, 1987

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	27.29	26.53
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	4.58	2.83
c) Total	31.87	29.36
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	1.68	0.76
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	-	1.75
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 which has been taken into account for the purpose of provision 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	28.97	27.29
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act, 1987	4.58	4.58
c) Total	33.55	31.87







Notes to the Financial Statements

for the year ended March 31, 2022

3.3 Investment

Particulars	As at March 31, 2022	As at March 31, 2021
3.3.1. Value of Investments		
(i) Gross Value of Investments		
(a) In India	113.92	52.43
(b) Outside India	-	
(ii) Provision for Depreciation		
(a) In India	0.70	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	113.22	52.43
(b) Outside India	-	
3.3.2. Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add: Provsions made during the year	0.70	-
(iii) Less: Write-off/Written-back of excess provsions during the year	-	-
(iv) Closing Balance	0.70	-

3.4 Derivatives

3.4.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at March 31, 2022	As at March 31, 2021
(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 MHIL upon entering into swaps	NA	NA
(iv) Concentration of credit risk arising from the swaps		
(v) The fair value of the swap book		

3.4.2 Exchange Traded Interest Rate (IR) Derivative

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (Instrumentwise)		
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31 March, 2021 (Instrumentwise)	NA	NA
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (Instrumentwise)		
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (Instrumentwise)		

3.4.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure - NA

B. Quantitative Disclosure

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)		
(ii) Marked to Market Positions		
(a) Assets (+)	NA	NA
(b) Liabiltiy (-)		1 47 (
(iii) Credit Exposure		
(iv) Unhedged Exposures		

(₹ in Crores)



for the year ended March 31, 2022

3.5 Securitisation

3.5.1. The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

Corporate Overview

Particulars	As at March 31, 2022	As at March 31, 2021
1. No of SPVs sponsored by the Company for securitisation transactions		
2. Total amount of securitised assets as per books of the SPVs sponsored by the Company		
3. Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures towards Credit Enhancements		
First loss		
Others		
b) On-balance sheet exposures towards Credit Enhancements		
First loss		
Others		
4. Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures towards Credit Enhancements		
i) Exposure to own securitisations	NA	NA
First loss		
Others		
ii) Exposure to third party securitisations towards Credit Enhancements		
First loss		
Others		
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss		
Others		
ii) Exposure to third party securitisations		
First loss		
Others		

3.5.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Number of accounts sold	-	-
(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	-	-

3.5.3. Details of Assignment transactions undertaken by company

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No of accounts	2632	1104
(ii) Aggregate value (net of provisions) of accounts assigned	167.94	100.00
(iii) Aggregate consideration	167.94	100.00
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/loss over net book value	-	-





3.5.4. Details of non-performing financial assets purchased / sold

I. Details of non-performing financial assets purchased:

Particulars	As at March 31, 2022	As at March 31, 2021
1. (a) No of accounts purchased during the year		
(b) Aggregate outstanding	NIA	NIA
2. (a) Of these, number of accounts restructured during the year	- NA	NA
(b) Aggregate outstanding		

II. Details of non-performing financial assets sold:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) No of accounts sold		
(b) Aggregate outstanding	NA	NA
(C) Aggregate consideration received		

3.6. Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2022

		Liabilities			
Particulars	Deposits	Borrowings from banks	Market borrowings	Foreign Currency Liabilities	
1 day to 7 days	-	-	-	-	
8 to 14 days	-	-	-	-	
15 to 30/31 days	-	6.62	-	-	
Over one month upto 2 months	-	1.41	-	-	
Over 2 months upto 3 months	-	24.37	-	-	
Over 3 months to 6 months	-	32.21	102.05	-	
Over 6 months to 1 year	-	47.75	-	-	
Over 1 year to 3 years	-	213.99	121.84	-	
Over 3 year to 5 years	-	123.28	18.18	-	
Over 5 years	-	72.65	-	-	
Total	-	522.28	242.07	-	
Ind AS Adjustment	-	0.11	-	-	
Total	-	522.17	242.07	-	

Doublesslave	Assets			
Particulars	Advance	Investments	Foreign Currency Assets	
1 day to 7 days	3.15	-	-	
8 to 14 days	3.15	2.00	-	
15 to 30/31 days	6.82	5.00	-	
Over one month upto 2 months	14.82	2.50	-	
Over 2 months upto 3 months	14.82	18.00	-	
Over 3 months to 6 months	42.11	70.79	-	
Over 6 months to 1 year	84.23	8.00	-	
Over 1 year to 3 years	209.93	6.93	-	
Over 3 year to 5 years	199.13	-	-	
Over 5 years	455.78	-	-	
Total	1,033.94	113.22	-	
Ind AS Adjustment	4.38	-	-	
Total	1,029.56	113.22	-	

(₹ in Crores)



for the year ended March 31, 2022

3.7. Exposure

3.7.1. Exposure to Real Estate Sector

	Category	As at March 31, 2022	As at March 31, 2021
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;	1,055.28	1,402.79
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates. (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	NIL	NIL
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
	A. Residential Exposure	NIL	NIL
	B. Commercial Real Estate	NIL	NIL
b)	Indirect Exposure	NIL	NIL
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	NIL	NIL
	Total Exposure to Real Estate Sector	1,055.28	1,402.79

3.7.2 Exposure to Capital Market

Particulars	As at March 31, 2022	As at March 31, 2021
(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		
(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 equityoriented 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	NA	NA
(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 (both registered and unregistered)		
Total Exposure to Capital Market		

- **3.7.3.** The Company has not financed any parent company products during the financial year.
- **3.7.4.** The Company has not exceeded exposure limits as stipulated by the NHB prudential norms during the year with reference to Single Borrower Limit(SGL)/Group Borrower Limit(GBL).
- **3.7.5.** The Company does not have any exposure to unsecured advances during the financial year.

3.7.6. Exposure to group companies engaged in real estate business.

Description	Amount	% of owned fund
(i) Exposure to any single entity in a group engaged in real estate business	– NA	NA
(ii) Exposure to all entities in a group engaged in real estate business	IVA	IVA





for the year ended March 31, 2022

4. Miscellaneous

4.1. Registration obtained from other financial sector regulators

Company has not obtained any registration from other financials sector regulators.

4.2. Disclosure of Penalties imposed by NHB/RBI and other regulators

No Penalty has been levied on the company by NHB/RBI during the year.

4.3. Related party Transactions

Details of all material transactions with related parties are disclosed in note 37.

4.4. Group Structure

Diagrammatic representation of group structure has been given in Related Party Policy.

4.5. Rating assigned by Credit Rating Agencies and migration of rating:

During the year, CRISIL has reaffirmed Long term rating of AA+/Stable to the company. ICRA and CARE have reaffirmed short term rating of A1+ to the company.

Rating Agency	Туре	As at March 31, 2022	As at March 31, 2021
CARE	Commercial Paper	CARE A1+	CARE A1+
ICRA	Commercial Paper	ICRA A1+	ICRA A1+
CRISIL	Term Loan Borrowings	CRISIL AA+/Stable	CRISIL AA+/Stable
CRISIL	Non-Convertible Debentures	CRISIL AA+/Stable	CRISIL AA+/Stable

4.6. Remuneration of Directors

Details of Remuneration of Directors are disclosed in Form No. MGT - 9

4.7. Management

Refer to the Management Discussion and Analysis report for the relevant disclosures.

4.8. Net Profit or Loss for the period, prior period items and changes in accounting policies

Rating Agency	As at March 31, 2022	As at March 31, 2021
Net Profit for the year	8.40	12.55
Impact of prior period items on current year's profit:		
Prior Period Tax	(0.71)	-
Reason for Changes in accounting policies	NA	NA

4.9. Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

4.10. Company does not have any subsidiary therefor Accounting Standard 21 - Consolidated Financial Statements (CFS) is not applicable.

Additional Disclosures

5.1. Breakup of Provisions and Contingencies shown under the head Expenditure in Profit & Loss Account

Particulars	As at March 31, 2022	As at March 31, 2021
1. Provisions for depreciation on Investment	0.70	-
2. Provision made towards Income Tax	-	1.31
3. Provision towards NPA	(2.94)	9.65
4. Provision for Standard Assets	(1.26)	(1.52)
5. Provision for Restructured Assets	3.84	-
6. Provision for Gratuity	0.15	0.09
7. Provision for Compensated Absences	0.40	-

(₹ in Crores)



Break up of Loans & Advances and Provisions thereon

Particulars	Hous	ing	Non-Ho	using
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount	897.41	1,203.59	131.33	138.63
b) Provision Made	7.62	4.82	0.33	0.55
Sub-Standard Assets				
a) Total Outstanding Amount	26.65	65.46	3.33	2.63
b) Provision Made	16.36	19.90	0.86	0.80
Doubtful Assets - Category - I				
a) Total Outstanding Amount	0.58	-	0.36	-
b) Provision Made	0.50	-	0.04	-
TOTAL				
a) Total Outstanding Amount	924.64	1,269.05	135.02	141.26
b) Less: Ind AS Adjustments	4.38	7.52	-	-
Total Outstanding Amount (A-B)	920.26	1,261.53	135.02	141.26
C) Provision Made	24.48	24.72	1.23	1.35

5.2. Draw Down from Reserves

The Company has not made any draw down from reserves during the financial year.

5.3. Concentration of Public Deposits, Advances, Exposures and NPAs

5.3.1.Concentration of Public Deposits

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	NA	NA

5.3.2. Concentration of Loans and Advances

Particulars	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	11.74	9.83
% of Loans & Advances to twenty largest borrowers to Total Advances of the company	1.11%	0.70%

5.3.3. Concentration of all Exposure (including off-balance sheet exposure)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers	13.48	11.58
% of Exposures to twenty largest borrowers to Total Advances of the company	0.92%	0.68%

5.3.4. Concentration of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top ten NPA Accounts	2.28	2.51







for the year ended March 31, 2022

5.3.5. Sector-wise NPAs

Sector	% of NPAs to Total Ad	% of NPAs to Total Advances in that sector	
	As at March 31, 2022	As at March 31, 2021	
A. Housing Loans:			
1 Individuals	2.78%	4.66%	
2 Builders/Project Loans	0.00%	0.00%	
3 Corporates	0.00%	0.00%	
4 Others	0.00%	0.00%	
B. Non-Housing Loans:			
1 Individuals	0.15%	0.19%	
2 Builders/Project Loans	0.00%	0.00%	
3 Corporates	0.00%	0.00%	
4 Others	0.00%	0.00%	

5.4. Movement of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net NPAs to Net Advances (%)	1.27%	3.43%
(ii) Movement of NPAs (Gross)		
a) Opening Balance	68.09	33.80
b) Additions during the year	109.74	80.13
c) Reductions during the year	146.91	45.84
d) Closing Balance	30.92	68.09
(iii) Movement of Net NPAs		
a) Opening Balance	47.39	22.75
b) Additions during the year	46.70	56.09
c) Reductions during the year	80.93	31.45
d) Closing Balance	13.16	47.39
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	20.70	11.05
b) Provisions made during the year	63.04	24.04
c) Write-off/write-back of excess provisions	65.98	14.39
d) Closing Balance	17.76	20.70

- 5.5. The Company does not have any overseas assets as on March 31, 2022 (PY Nil).
- The company does not have any off-balance sheet sponsored SPVs which needs to be consolidated as per accounting norms. 5.6.
- 6. There are no frauds to be reported during the financial year.

Disclosure of Complaints 7.

7.1. Customer Complaints

Particulars	As at March 31, 2022	As at March 31, 2021
a) No. of complaints pending at the beginning of the year	-	2
b) No. of complaints received during the year	312	515
c) No. of complaints redressed during the year	312	517
d) No. of complaints pending at the end of year	-	-

(₹ in Crores)



for the year ended March 31, 2022

8. **Principal Business Criteria for HFCs**

Housing finance company" shall mean a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).
- Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for b) individuals. The Company meets the aforesaid principal business criteria for HFCs.

Particulars	As at March 31, 2022	As at March 31, 2021
Total Assets	1,282.60	1,678.39
Less: Intangible assets	(1.71)	(3.38)
Net total Assets	1,280.89	1,675.01
Housing Finance	920.26	1,261.53
Individual Housing Finance	920.26	1,261.53
Percentage of housing finance to total assets (netted off intangible assets)	71.85%	75.31%
Percentage of individual housing finance to total assets (netted off intangible assets)	71.85%	75.31%
Percentage of individual housing finance to housing finance	100.00%	100.00%

9. **Liquidity Risk Management Framework**

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at March 31, 2022	As at March 31, 2021
Number of significant counter parties	9	15
Amount	547.17	893.38
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities	65.49%	72.06%

(ii) Top 20 large deposits

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 20 deposits	NA	NA
Percentage of amount of top 20 deposits to total deposits	NA	NA

(iii) **Top 10 borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
Total amount of top 10 borrowings	547.17	819.23
Percentage of amount of top 10 borrowings to total borrowings	71.60%	69.59%

Funding Concentration based on significant instrument/product (iv)

Particulars	As at March 31, 2022	Percentage of total liabilities	As at March 31, 2021	Percentage of total liabilities
Borrowings from Banks	375.53	44.95%	729.95	58.88%
Borrowings from Financial Institution	-	0.00%	23.33	1.88%
Borrowings from National Housing Bank (NHB)	146.64	17.55%	115.10	9.28%
Debt securities	242.07	28.97%	308.78	24.91%









Notes to the Financial Statements

for the year ended March 31, 2022

(v) Stock ratio

Particulars	As at March 31, 2022	As at March 31, 2021
Commercial paper as a percentage of total public funds	NA	NA
Commercial paper as a percentage of total liabilities	NA	NA
Commercial paper as a percentage of total assets	NA	NA
Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	NA	NA
Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	NA	NA
Non convertible debentures (original maturity of less than one year) as a percentage of total assets	NA	NA
Other short term liabilities as a percentage of total public funds	NA	NA
Other short term liabilities as a percentage of total liabilities	5.28%	2.27%
Other short term liabilities as a percentage of total assets	3.44%	1.67%

Institutional set-up for liquidity risk management

The company has an Asset Liability Management Committee (ALCO) to monitor asset liability mismatches to ensure that there is no imbalances or excessive concentration on the either side of the balance sheet. The company maintains a judicious mix of borrowings in the form of Term Loans, Refinance, Securitization, Working Capital and continues to diversify its source of borrowings with the emphasis on longer tenor borrowings. The company has diversified mix of investors/lenders which includes Banks, National Housing Bank etc.

The Liquidity Risk Management (LRM) of the company is governed by the LRM Policy approved by the Board. The Asset Liability Committee (ALCO) is responsible for implementing and monitoring the liquidity risk management strategy of the company in line with its risk management objectives and ensures adherence to the risk tolerance/limits set by the Board.

A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

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 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 1	892.19	3.64	888.55	2.41	1.23
	Stage 2	136.55	4.31	132.24	4.10	0.21
Subtotal		1,028.74	7.95	1,020.79	6.51	1.44
Non-Performing Assets						
(NPA)						
Substandard	Stage 3	29.98	17.22	12.76	4.57	12.65
Doubtful - up to 1 year	Stage 3	0.94	0.54	0.40	0.28	0.26
Subtotal		30.92	17.76	13.16	4.85	12.91
Total	Stage 1	892.19	3.64	888.55	2.41	1.23
	Stage 2	136.55	4.31	132.24	4.10	0.21
	Stage 3	30.92	17.76	13.16	4.85	12.91
	Total	1,059.66	25.71	1,033.95	11.36	14.35
Ind AS Adjustment		(4.38)	-	(4.38)	-	-
Total		1,055.28	25.71	1,029.57	11.36	14.35

Corporate Information

Board of Directors

Mr. George Thomas Muthoot - Director Mr. George Alexander Muthoot - Director

Mr. Eapen Alexander - Whole Time Director

Mr. K. R. Bijimon - Director Mrs. Anna Alexander - Director

Mr. Jacob K Varghese - Independent Director
Mr. Jose Kurian - Independent Director
Mr. V C James - Independent Director

Key Managerial Personnel

Mr. Rajeev Khond - Chief Executive Officer
Mr. Pandurang Kadam - Chief Financial Officer
Mrs. Jinu Mathen - Company Secretary

Bankers

Axis Bank
UCO Bank
Federal Bank Limited
Union Bank of India
HDFC Bank Limited
Indusind Bank
Shinhan Bank
Standard Chartered Bank
Yes Bank Ltd
National Housing Bank

Statutory Auditors

M/s. Kolath & Co, Chartered Accountants A-915, kailas Business Park, Hiranandani Link Road, Vikhroli (W), Mumbai – 400 079

Debenture Trustee

(Listed Non-Convertible Debentures) Catalyst Trusteeship Limited Windsor, 06th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East) Mumbai – 400 098 Maharashtra, India

Registered Office

Muthoot Chambers Kurians Tower, Banerji Road, Ernakulam North Kochi 682 018 Kerala, India CIN: U65922KL2011PLC029231

CIN: U65922KL2011PLC029231 Website: www.muthoothomefin.com

Registrar & Transfer Agent

(Listed Non-Convertible Debentures) Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Maharashtra, India

Corporate Office

1201 & 1202, 12th Floor, A Wing Lotus Corporate Park Off. Western Express Highway Goregaon East, Mumbai 400063 Maharashtra, India

