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INDEPENDENT AUDITOR'S REPORT

To the Members of Muthoot Homefin (India) Limited

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 2023, 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, 2023, 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. 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

KOLATH & CO * CHARTERED ACCOUNTANTS * MUMBAI 400 079 we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1	Expected Credit Loss (ECL) on Loans and Advances As at March 31, 2023, the carrying value of loan assets measured at amortized cost, aggregated to Rs. 10506.92 Million (net of allowance of ECL Rs. 357.81 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. 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.	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) 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

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	Refer Note 3.7 of the Financial Statements.	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 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.

5. Information 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.

6. 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

KOLA CHARTERED ACCOUNTANTS MUMBAI 400 078 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.

7. 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.

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• 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.

8. 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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.

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(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's Registration No: 008926S

KOLATH & CO. * CHARTERED ACCOUNTANTS * MUMBAI 400 079

CA Santhi Elizabeth Liju
Partner
Membership No: 210978
UDIN: 23210978BGYKDC4343

Kochi .
04.05.2023

Annexure A to the Independent Auditors' Report of even date on the financial statements of Muthoot Homefin (India) Limited

Referred to in paragraph [8(1)] 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)

(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.

(b) 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.

(c) 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.

(d) The Company has not revalued its Property, Plant and Equipment and Intangible assets during the year.

(e) 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.

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(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, 2023 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, 2023:

(Rs. In Million)

Number of Cases	Total Amount Dues
666	436.33

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, 2023 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, 2023 for a period of more than six months from the date they became payable.

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(b) The details of statutory dues referred to in sub- paragraph (a) above which have not been deposited as on 31 March 2023, 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.

KOLATH & CO. MUMBAI 400 079 CHARTERED ACCOUNTANTS

(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.

(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.

b) 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.

c) 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.

d) 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 year.

(xviii) There has been no resignation of the Statutory Auditors during the year and hence reporting under paragraph 3 (xviii) of the Order is not applicable.

(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.

(xx) (a) 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 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's Registration No: 008926S

KOLATH & CO. CHARTERED ACCOUNTANTS MUMBAI 400 079

CA Santhi Elizabeth Liju
Partner
Membership No: 210978
UDIN: 23210978BGYKDC4343

Kochi
04.05.2023

Annexure B to the Independent Auditors' Report of even date on the financial statements of Muthoot Homefin (India) Limited

(Referred to in paragraph 8 (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 2023 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.

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.

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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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 2023, 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's Registration No: 008926S

KOLATH & CO. MUMBAI 400 079 CHARTERED ACCOUNTANTS

CA Santhi Elizabeth Liju
Partner
Membership No: 210978
UDIN: 23210978BGYKDC4343

Kochi
04.05.2023

Muthoot Homefin (India) Limited
Balance Sheet as at March 31, 2023
Registered Office: Muthoot Chambers, Kurian Towers, Banerji Road, Ernakulam North, Kochi - 632 018
CIN: U65922KL2011PLC029231

(Rs in Millions)

Particulars	Notes	As at March 31, 2023 Audited	As at March 31, 2022 Audited
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	5.1	104.32	46.66
b) Bank Balance other than cash and cash equivalents	5.2	266.92	252.77
c) Loans	6	10,506.92	10,295.63
d) Investments	7	44.25	1,132.16
e) Other financial assets	8	723.40	879.18
2 Non-financial assets			
a) Property, plant and equipment	9	359.43	39.90
b) Capital work-in-progress	10	-	66.97
c) Other intangible assets	11	1.05	2.96
d) Current tax assets (net)		71.25	78.68
e) Other non financial assets	12	33.04	31.06
Total assets		**12,110.58**	**12,825.97**
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	39.22	33.06
b) Debt securities	14	1,900.22	2,420.69
c) Borrowings (other than debt securities)	15	4,701.70	5,221.67
d) Other financial liabilities	16	729.25	499.29
2 Non-financial Liabilities			
a) Provisions	17	7.07	7.56
b) Deferred tax Liabilities (net)		151.73	165.55
c) Other non-financial liabilities	18	6.72	7.39
3 Equity			
a) Equity share capital	19	1,191.56	1,191.56
b) Other equity	20	3,383.11	3,279.20
Total liabilities and equity		**12,110.58**	**12,825.97**

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 : 23210978BGYKDC4343

Place: Kochi
Date: May 04, 2023

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

George Alexander Muthoot
Director
DIN: 00016787

Eapen Alexander
Whole-time Director
DIN: 03493601

Alok Aggarwal
Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Riya P G
Company Secretary

MUTHOOT HOMEFIN (INDIA) LIMITED

Muthoot Homefin (India) Limited
Statement of profit and loss for year ended March 31, 2023
Registered Office: Muthoot Chambers, Kurian Towers, Banerji Road, Ernakulam North, Kochi - 682 018
CIN: U65922KL2011PLC029231

(Rs in Millions)

	Particulars	Notes	Year ended March 31, 2023 Audited	Year ended March 31, 2022 Audited
	Revenue from operations			
(i)	Interest income	22	1,349.53	1,638.12
(ii)	Sale of service		22.56	12.39
(iii)	Net gain on derecognised (assigned) loans		-	389.01
(iv)	Net gain/(loss) on fair value changes	23	16.35	13.93
(I)	**Total Revenue from operations**		**1,388.44**	**2,053.45**
(II)	Other Income	24	159.67	90.40
(III)	**Total Income (I + II)**		**1,548.11**	**2,143.85**
	Expenses			
(i)	Finance cost	25	589.20	807.88
(ii)	Net loss on derecognised (assigned) loans		-	35.19
(iii)	Impairment of financial instruments and write Off	26	219.85	710.75
(iv)	Employee benefit expenses	27	358.04	283.61
(v)	Depreciation, amortization and impairment	28	18.67	16.51
(vi)	Other expenses	29	221.69	188.94
(IV)	**Total Expenses (IV)**		**1,407.45**	**2,042.88**
(V)	**Profit before exceptional items and tax (III - IV)**		**140.66**	**100.97**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V- VI)**		**140.66**	**100.97**
(VIII)	**Tax Expense:**			
	(1) Current tax		50.47	-
	(2) Deferred tax		(13.79)	24.06
	(3) Earlier years adjustments		-	(7.13)
	Net Tax Expense (VIII)		**36.68**	**16.93**
(IX)	**Profit for the period (VII-VIII)**		**103.98**	**84.04**
(X)	**Other Comprehensive Income**			
	(i) Items that will not be classified to profit or loss			
	(a) Remeasurements of the defined benefit plans		(0.09)	0.18
	(ii) Income tax relating to Items that will not be reclassified to profit or loss		0.02	(0.05)
	Other Comprehensive Income (i + ii)		(0.07)	0.13
(XI)	**Total Comprehensive Income for the period (IX + X)**		**103.91**	**84.17**
(XII)	**Earnings per equity share (Face Value of Rs. 10/- Each)**			
	Basic (Rs.)		0.87	0.71
	Diluted (Rs.)		0.87	0.71

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

For Kolath & Co
Chartered Accountants
FRN: 008926S

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M. No. 210978
UDIN : 23210978BGYKDC4343

Place: Kochi
Date: May 04, 2023

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Director
DIN: 00016787

Eapen Alexander
Whole-time Director
DIN: 03493601

Alok Aggarwal
Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Riya P G
Company Secretary

Muthoot Homefin (India) Limited
Cash Flow Statement for Year ended March 31, 2023
Registered Office: Muthoot Chambers, Kurian Towers, Banerji Road, Ernakulam North, Kochi - 682 018
CIN: U65922KL2011PLC029231

(Rs in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from Operating Activities		
Profit before tax	140.66	100.97
Adjustments for:		
Depreciation, amortisation & impairment	18.67	16.51
Impairment on financial instruments and write Off	219.85	710.75
Interest Expenses	589.20	807.88
Net gain on derecognised (assigned) loans	-	(353.82)
Net gain on fair value changes	(16.35)	(13.93)
Loss on sale of Property, plant and equipment	7.86	6.47
Operating Profit Before Working Capital Changes	**959.89**	**1,274.83**
Working capital changes		
(Increase) Bank balance other than cash and cash equivalents	(14.15)	(121.52)
(Increase)/ Decrease in Loans Given	(315.20)	2,767.81
Decrease in Other financial asset	2.30	1,001.87
(Increase)/ Decrease in Other non financial asset	(1.97)	12.82
Increase in other financial liabilities and other non financial liabilities	311.32	47.17
Increase / (Decrease) in Trade payables	6.16	(0.06)
(Decrease) / Increase in Provision	(0.58)	4.15
Cash Generated from Operations	**947.77**	**4,987.07**
Interest Paid	(671.22)	(795.90)
Income Received on Assignment of Loans	153.48	118.39
Income tax paid	(43.03)	(10.89)
Net cash flows from/(used in) operating activities	**387.00**	**4,298.67**
B.Cash flow from Investing Activities		
Purchase of Property, plant and equipment/intangible assets	(278.16)	(74.66)
Sale of Property, plant and equipment	0.93	0.66
Purchase of investments	(3,790.00)	(6,050.00)
Proceeds from Sale of Investments	4,759.25	5,426.83
Purchase of Security Receipt	-	-
Redemption of Security Receipt	19.07	22.25
Net cash flows from/(used in) investing activities	**711.09**	**(674.92)**
C.Cash flow from Financing activities		
Proceeds from issue of shares	-	-
Borrowings other than debt securities issued	(519.96)	(3,462.16)
Debt Securities Issued	(520.47)	(667.15)
Net cash flows from/(used in) financing activities	**(1,040.43)**	**(4,129.31)**
Net increase/(decrease) in cash and cash equivalents	57.66	(505.56)
Add: Cash and cash equivalents as at beginning of the year	46.66	552.22
Cash and cash equivalents as at the end of the year	**104.32**	**46.66**
Components of cash & cash equivalents		
Cash on hand	2.97	3.71
In current accounts	101.35	42.95
In Bank deposit with maturity of less than 3 months	-	-
Total	**104.32**	**46.66**

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

For Kolath & Co
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Place: Kochi
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Whole-time Director
DIN: 03493601

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Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Riya P G
Company Secretary

Muthoot Homefin (India) Limited
Statement of changes in Equity as at March 31, 2023
Registered Office: Muthoot Chambers, Kurian Towers, Banerji Road, Ernakulam North, Kochi - 682 018
CIN: U65922KL2011PLC029231

a. Equity Share Capital (Rs in Million)

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	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 period	-	-	-	-
Balance at the end of the year	**11,91,55,843**	**1,191.56**	**11,91,55,843**	**1,191.56**

b. Other Equity

Particulars	Reserves and Surplus				Total
	Statutory Reserve	Share Premium Account	Retained Earnings	Other comprehensive	
Balance as at April 1, 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 year 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**
Changes due to prior period errors	-	-	-	-	-
Restated balance as at April 1, 2022	**335.50**	**2,146.81**	**795.13**	**1.76**	**3,279.20**
Other Additions/ Deductions during the year					
Transfer to/from retained earnings	20.80	-	(20.80)	-	-
Premium received during the year	-	-	-	-	-
Profit (loss) for the period after income tax	-	-	103.98	-	103.98
Other Comprehensive Income for the year before income tax	-	-	-	(0.09)	(0.09)
Less: Income Tax	-	-	-	0.02	0.02
Balance as at March 31, 2023	**356.30**	**2,146.81**	**878.31**	**1.69**	**3,383.11**

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 : 23210978BGYKDC4343

Place: Kochi
Date: May 04, 2023

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

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Director
DIN: 00016787

Eapen Alexander
Whole Time Director
DIN: 03493601

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Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Riya P G
Company Secretary

Muthoot Homefin (India) Limited
Notes on accounts for the year ended March 31, 2023
Registered Office: Muthoot Chambers, Kurian Towers, Banerji Road, Ernakulam North, Kochi - 682 018
CIN: U65922KL2011PLC029231

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 Balance Sheet, the Statement of Profit and Loss, the Statement of Changes In Equity and the Statement of Cash Flows (the "financial statements") have been prepared in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified) and the guidelines issued by the National Housing Bank ("NHB") and the Reserve Bank of India ("RBI") to the extent applicable. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Details of the Company's accounting policies are disclosed below.

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:

i) 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.

KOLATH & CO. MUMBAI 400 079 CHARTERED ACCOUNTANTS

MUTHOOT HOMEFIN (INDIA) LIMITED

3. Significant accounting policies

3.1. Recognition of interest income

1. 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 credit-impaired financial assets.
2. 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.
5. 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.
6. 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.

2. *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 FVTPL.

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 Financiai Liabiiity

A financial liabiiity is derecognised when the obligation under the iiabiiity is discharged, canceiled or expires. Where an existing financial liability is replaced by another from the same iender on substantially

different terms, or the terms of an existing liabiiity are substantially modified, such an exchange or modification is treated as de recognition of the original iiabiiity and the recognition of a new iiability. The difference between the carrying vaiue of the originai financiai iiabiiity and the consideration paid is recognised in profit or loss.

3.6 Offsetting

Financiai assets and financial liabilities are generaily reported gross in the baiance sheet. Financiai assets and iiabilities are offset and the net amount is presented in the baiance sheet when the Company has a iegai right to offset the amounts and intends to settie on a net basis or to reaiise the asset and settle the iiability simultaneousiy in aii the following circumstances:

a. The normal course of business
b. The event of defauit
c. The event of insoivency or bankruptcy of the Company and/or its counterparties

3.7 impairment of financiai assets

In accordance with IND AS 109 , the Company uses 'Expected Credit Loss' modei (ECL) , for evaiuating impairment of financiai assets other than those measured at Fair vaiue 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 ioss allowance for a financial asset:

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

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

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

The Company performs an assessment, at the end of each reporting period, of whether a financiai 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 beiow:

<u>For non-impaired financial assets</u>

- Stage 1 is comprised of ali non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initiai recognition. A 12-month ECL provision is made for stage

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MUTHOOT HOMEFIN (INDIA) LIMITED

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 macro-economic 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.

MUMBAI 400 079 CHARTERED ACCOUNTANTS

MUTHOOT HOMEFIN (INDIA) LIMITED

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral is 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 exercises its right of repossession under the SARFAESI Act. The repossessed assets are generally disposed through auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. The company does not record repossessed assets on its balance sheet as non-current assets held for sale.

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. A write off constitutes a de-recognition event. The company has a right to apply enforcement activities to recover such written off financial asset. 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.

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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 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 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.

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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 Other Long term 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:

i. 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:

i. 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.

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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off 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 materiai 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 principai and Interest ('the 'SPPI criterion') and the business model test. The Company determines the business model at a ievel that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting ali reievant 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 heid. Monitoring is part of the Company's continuous assessment of whether the business model for which the remalning financial assets are held continues to be appropriate and if it is not appropriate whether there has heen 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 soleiy payments of principal and interest ('the 'SPPI criterion')."

4.2 Effective Interest Rate (EiR) method

The Company's EIR methodoiogy, 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.

Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023

Note 5.1: Cash and cash equivalents

(Rs in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	2.97	3.71
Balances with Banks		
- in current accounts	101.35	42.95
- Bank deposit with maturity of less than 3 months	-	-
Total	104.32	46.66

Note 5.2: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposit with maturity of more than 3 months but less than 12 months*	266.92	252.77
Total	266.92	252.77

*Balance with Banks to the extent held as security against borrowings and guarantee - INR 236.98 million (31 March 2022: INR 236.98 millions)

Note 6: Loans

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amortised Cost	At Fair value			Amortised Cost	At Fair value		
		Through Other Comprehensive Income	Through profit or loss	Designated at fair vale through profit or loss		Through Other Comprehensive Income	Through profit or loss	Designated at fair vale through profit or loss
Housing Loans	9,152.87	-	-	-	9,202.57	-	-	-
Non Housing Loans	1,711.86	-	-	-	1,350.18	-	-	-
Total - Gross	10,864.73	-	-	-	10,552.75	-	-	-
Less : Impairment loss allowance	(357.81)	-	-	-	(257.12)	-	-	-
Total - Net	10,506.92				10,295.63			
Housing and Non Housing Loans								
I) Secured by tangible assets	10,864.73	-	-	-	10,552.75	-	-	-
II) Secured by intangible assets/covered by bank/government guarantee/Unsecured	-	-	-	-	-	-	-	-
i) Housing Loans	-	-	-	-	-	-	-	-
ii) Other Loan	-				-			
Total - Gross	10,864.73	-	-	-	10,552.75	-	-	-
Less : Impairment loss allowance	(357.81)	-	-	-	(257.12)	-	-	-
Total - Net	10,506.92	-	-	-	10,295.63	-	-	-
Housing and Non Housing Loans								
i) Public Sector	-	-	-	-	-	-	-	-
ii) Others	10,864.73	-	-	-	10,552.75	-	-	-
iii) Corporates/Other Entities	-	-	-	-	-	-	-	-
Total - Gross	10,864.73	-	-	-	10,552.75	-	-	-
Less: Impairment Loss Allowance	(357.81)	-	-	-	(257.12)	-	-	-
Total - Net	10,506.92	-	-	-	10,295.63	-	-	-

Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023

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 Non Housing Loan includes top-up loan given against residential housing property and loan against property.

6.3 The company is not granting any loans against gold jewellery as collateral.

6.4 The company is not granting any loans against security of shares as collateral.

6.5 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Non Housing Loan. The amount of insurance portion is Rs. 594.40 million (Mar 31,2022: Rs. 844.31 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.

6.6 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.

6.7 The Company has not granted any loans outside India.

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6.8 Credit Quality of Loan Assets

(Rs in Million)

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.

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Internal rating grade								
Performing								
High grade	9,451.05	-	-	9,451.05	8,402.95	-	-	8,402.95
Standard grade	310.79	-	-	310.79	518.91		-	518.91
Sub-standard grade	-	243.63	-	243.63	-	464.31	-	464.31
Past due but not impaired	-	446.72	-	446.72	-	901.17	-	901.17
Non- performing								
Individually impaired	-	-	436.33	436.33	-	-	309.21	309.21
Total	**9,761.84**	**690.35**	**436.33**	**10,888.52**	**8,921.86**	**1,365.48**	**309.21**	**10,596.55**
Ind AS Adjustment				**(23.79)**				**(43.80)**
Gross Carrying Amount				**10,864.73**				**10,552.75**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances, as follows:

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount - opening balance	8,921.86	1,365.48	309.21	10,596.55	12,319.18	1,102.95	680.94	14,103.07
New assets originated or purchased/further increase in existing assets	2,288.26		-	2,288.26	1,435.87	32.88	-	1,468.75
Assets derecognised or repaid (excluding write offs)	(1,808.94)	(164.58)	(22.77)	(1,996.29)	(4,144.23)	(95.53)	(38.00)	(4,277.76)
Transfers to Stage 1	595.04	(501.79)	(93.24)	-	272.74	(240.71)	(32.03)	-
Transfers to Stage 2	(168.82)	180.79	(11.97)	-	(716.05)	761.71	(45.66)	-
Transfers to Stage 3	(65.56)	(189.55)	255.11	-	(245.65)	(195.82)	441.47	-
Amounts written off	-	-	-	-	-	-	(697.51)	(697.51)
Gross carrying amount - closing balance	**9,761.84**	**690.35**	**436.33**	**10,888.52**	**8,921.86**	**1,365.48**	**309.21**	**10,596.55**
Ind AS Adjustment				**(23.79)**				**(43.80)**
Gross Carrying Amount				**10,864.73**				**10,552.75**

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2023				As at March 31, 2022			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	36.37	43.13	177.62	257.12	37.46	16.23	207	260.69
ECL Remeasurements due to changes in EAD / assumptions	(0.41)	(2.52)	(20.02)	(22.95)	(0.87)	(6.42)	(3.00)	(10.29)
Transfers to Stage 1	(0.50)	(7.69)	(81.96)	(90.15)	0.09	(24.65)	(2.53)	(27.09)
Transfers to Stage 2	0.14	2.77	(10.52)	-7.61	(0.23)	78.03	(3.61)	74.19
Transfers to Stage 3	0.06	(2.90)	224.24	221.40	(0.08)	(20.06)	34.89	14.75
Amounts written off	-	-	-	-	-	-	(55.13)	(55.13)
ECL allowance - closing balance	**35.66**	**32.79**	**289.36**	**357.81**	**36.37**	**43.13**	**177.62**	**257.12**

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(Rs in Million)

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

As at 31 March 2023

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	9,761.84	39.05	9,722.79	39.03	0.02
	Stage 2	690.35	29.41	660.94	28.28	1.13
Subtotal		**10,452.19**	**68.46**	**10,383.73**	**67.31**	**1.15**
Non-Performing Assets (NPA)						
Substandard	Stage 3	307.89	204.18	103.71	46.18	158.00
Doubtful - up to 1 year	Stage 3	114.04	75.63	38.41	28.51	47.12
Doubtful - 1 to 3 Year	Stage 3	14.40	9.54	4.86	5.76	3.78
Subtotal		**436.33**	**289.35**	**146.98**	**80.45**	**208.90**
Total	**Stage 1**	9,761.84	39.05	9,722.79	39.03	0.02
	Stage 2	690.35	29.41	660.94	28.28	1.13
	Stage 3	436.33	289.35	146.98	80.45	208.90
	Total	**10,888.52**	**357.81**	**10,530.71**	**147.76**	**210.05**
Ind AS Adjustment		(23.79)	-	(23.79)	-	-
Total		**10,864.73**	**357.81**	**10,506.92**	**147.76**	**210.05**

As at 31 March 2022

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	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
Doubtful - 1 to 3 Year	Stage 3	-	-	-	-	-
Subtotal		**309.21**	**177.62**	**131.59**	**48.54**	**129.08**
Total	**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
	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)	-	(43.80)	-	-
Total		**10,552.75**	**257.12**	**10,295.63**	**113.61**	**143.51**

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Note 7: Investments

(Rs in Million)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amortised cost	At fair value			Amortised cost	At fair value		
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss
Security Receipts*	-	-	44.25				186.26	
Mutual Funds	-	-	-				952.90	
Total Gross (A)	-	-	**44.25**	-	-	-	**1,139.16**	-
i) Overseas investments	-	-	-	-	-	-	-	-
ii) Investments in India	-	-	44.25	-	-	-	1,139.16	-
Total Gross (B)	-	-	**44.25**	-	-	-	**1,139.16**	-
Less : Allowance for impairment loss (C)	-	-	-	-	-	-	7.00	-
Total - Net D = (A) - (C)	-	-	**44.25**	-	-	-	**1,132.16**	-

* During the current year, company has written off INR 115.94 millions on investment in security receipts due to impairment in estimated realisable value (refer note 26)

7.1 Details of investment in security receipts are as follows:-

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	Amount	Units	Amount
Security Receipts	176987	44.25	186258	186.26
Total		**44.25**		**186.26**

7.2 Details of investment in mutual funds are as follows:-

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Mutual Fund	-	-	174656.606	200.80
DSP Mutual Fund	-	-	87872.505	100.03
SBI Mutual Fund	-	-	58105.032	201.13
ICICI Prudential Mutual Fund	-	-	437092.283	50.09
L&T Mutual Fund	-	-	60319.005	100.03
Tata Mutual Fund	-	-	89198.646	100.03
Union Mutual Fund	-	-	179389.231	200.79
Total		-		**952.90**

Note 8: Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	9.50	12.90
Receivable on Assignment of Loans	704.63	858.11
Interest accrued on NPA	-	-
Interest accrued on fixed deposits with banks	-	-
Other financial assets	9.28	8.17
Total	**723.40**	**879.18**

MUTHOOT HOMEFIN (INDIA) LIMITED

Note 9: Property, plant and equipment

(Rs in Million)

Particulars	Furniture & Fixtures	Leasehold Improvements	Computer	Office Equipment	Building	Servers and Networks	Total
Gross Carrying Amount:							
At April 1, 2021	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 (A)	**14.50**	**59.21**	**33.92**	**23.05**	**2.49**	**4.10**	**137.27**
Additions	2.75	18.62	2.07	0.87	318.89	0.57	343.77
Disposals	4.35	18.26	-	3.93	-	-	26.54
At March 31, 2023 (B)	**12.90**	**59.57**	**35.99**	**19.99**	**321.38**	**4.67**	**454.50**
Depreciation and impairment:							
At April 1, 2021	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 (C)	**8.50**	**34.42**	**31.78**	**18.81**	**0.54**	**3.32**	**97.37**
Disposals	2.69	13.49	-	3.63	-	-	19.81
Depreciation charge for the year	1.45	6.33	0.62	1.80	6.91	0.40	17.51
At March 31, 2023 (D)	**7.26**	**27.26**	**32.40**	**16.98**	**7.45**	**3.72**	**95.07**
Net book value:							
At March 31, 2022 (A-C)	**6.00**	**24.79**	**2.14**	**4.24**	**1.95**	**0.78**	**39.90**
At March 31, 2023 (B-D)	**5.64**	**32.31**	**3.59**	**3.01**	**313.93**	**0.95**	**359.43**

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.

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.

Note 10: Capital work-in-progress

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

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Particulars	As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	66.97	-	-	-	66.97
Projects temporarily 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.

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Notes to the financial statements for year ended March 31, 2023

Note 11: Other Intangible Assets (Rs in Million)

Particulars	Computer Software and Website Development
Gross Carrying Amount:	
At April 1, 2021	16.86
Additions	0.75
Disposals	-
At March 31, 2022 (A)	**17.61**
Additions	1.36
Disposals	5.40
At March 31, 2023 (B)	**13.57**
Depreciation and impairment:	
At April 1, 2021	12.82
Disposals	-
Depreciation charge for the year	1.83
At March 31, 2022 (C)	**14.65**
Disposals	3.36
Depreciation charge for the year	1.23
At March 31, 2023 (D)	**12.52**
Net book value:	
At March 31, 2022 (A-C)	**2.96**
At March 31, 2023 (B-D)	**1.05**

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.

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Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023

Note 12: Other Non-financial assets (Rs in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	10.53	14.16
Other receivable	7.58	4.74
Balance from government authorities	14.93	12.16
Total	**33.04**	**31.06**

Note 13: Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	39.22	33.06
Total	**39.22**	**33.06**

13.1 Trade payables aging schedule

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	37.49	0.02	0.01	1.71	39.23
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-

Particulars	As at March 31, 2022				
	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	-	-	-	-	-

Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023

Note 14: Debt Securities

(Rs in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	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	1,400.22	-	-	2,420.69	-	-
(Secured by way of pari passu charge over Book Debts of the company)						
(Secured by way of specific subservient charge over Book Debts of the company)	500.00	-	-	-		
Total (A)	**1,900.22**	**-**	**-**	**2,420.69**	**-**	**-**
Debt securities in India	1,900.22	-	-	2,420.69	-	-
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. 1150.22 millions (March 31, 2022: 2,160.69 millions).

ISIN	Date of allotment	Amount As at March 31, 2023	Amount As at March 31, 2022	Redemption period from the date of allotment	Interest Rate %
INE652X07027	13.05.2019	-	356.83	38 Months	9%-10%
INE652X07035	13.05.2019	457.96	457.96	60 Months	9%-10%
INE652X07050	13.05.2019	-	290.95	38 Months	9%-10%
INE652X07068	13.05.2019	420.59	420.59	60 Months	9%-10%
INE652X07084	13.05.2019	-	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	**1,150.20**	**2,170.68**		

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. 750 millions (March 31, 2022: Rs. 250 millions).

ISIN	Date of allotment	Amount As at March 31, 2023	Amount As at March 31, 2022	Redemption period from the date of allotment	Interest Rate %
INE652X07118	17.06.2020	250.00	250.00	36 Months	8%-9%
INE652X07126	20.09.2022	500.00	-	120 Months	8%-9%
	Total	**750.00**	**250.00**		

Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023
Note 15: Borrowings (other than debt securities)

(Rs in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	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
Term loan						
(i) from banks *(Secured by way of pari passu charge over Book Debts of the company)*	2,819.39	-	-	3,755.26	-	-
(ii) from National Housing Bank *(Secured by way of exclusive charge over Book Debts & Corporate Guarantee from Muthoot Finance Limited)*	1,882.31	-	-	1,466.41	-	-
Total	**4,701.70**			**5,221.67**		
Borrowings in India	4,701.70			5,221.67		
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 agreement 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.

Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023

(Rs in Million)

Terms of borrowings and repayment as at March 31, 2023

Original maturity of loan	interest rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installmants	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installment	Amount	Ind AS Adjustment	Amount
Term Loan from Banks																	
Monthly repayment schedule	8%-9%	24	169.05	24	169.05	24	169.05	24	169.05	12	84.52	-	-	108	760.71		
Quarterly repayment schedule	8%-9%	8	189.08	8	188.98	2	35.71	-	-	-	-	-	-	18	413.77		
Half yearly repayment schedule	8%-9%	12	417.07	7	313.00	4	249.23	2	83.33	2	83.33	-	-	27	1,145.96		
Yearly repayment schedule	7%-8%	1	166.67	1	166.67	1	166.20	-	-	-	-	-	-	3	499.54		
Term Loan from National Housing Bank																	
Quarterly repayment schedule	up to 7%	9	14.30	12	19.06	12	19.06	12	19.06	12	19.06	18	31.37	75	121.91		
Quarterly repayment schedule	7%-8%	15	183.15	20	244.20	20	244.20	20	244.20	20	244.20	58	600.46	153	1,760.41		
		69	1,139.30	72	1,100.95	63	883.45	58	515.64	46	431.12	76	631.83	384	4,702.29	0.59	4,701.70

Original maturity of loan	Interest rate	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		Due 3 to 4 years		Due 4 to 5 years		Due 5 to 10 years		Total		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installment	Amount	Ind AS Adjustment	Amount
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%	9	204.70	8	189.08	8	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%	1	166.67	1	166.67	1	166.67	1	166.25	-	-	-	-	4	666.25		
Term Loan from Financial Instituions																	
Quarterly repayment schedule	7%-8%	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Term Loan from National Housing Bank																	
Quarterly repayment schedule	6%-7%	11	187.18	12	180.12	12	180.12	12	180.12	12	180.12	38	558.75	97	1,466.41		
		56	1,123.43	57	1,121.98	52	1,017.89	43	800.39	38	432.50	52	726.60	298	5,222.79	1.12	5,221.67

Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023

Note 16: Other Financial liabilities (Rs in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	201.29	283.31
Due to assignees towards collections in derecognised assets	103.87	96.56
Book Overdraft	364.26	66.41
Salary Payable	16.09	18.06
Others	43.74	34.95
Total	**729.25**	**499.29**

Note 17: Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity	3.63	3.59
- Provision for compensated absences	3.44	3.97
Total	**7.07**	**7.56**

Note 18: Other Non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	6.72	7.39
Total	**6.72**	**7.39**

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Note 19: Equity share capital

(Rs in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised: 150,000,000 Equity Shares of Rs. 10/- each (March 31, 2022: 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, 2022 : 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 equity 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, 2021	11,91,55,843	1,191.56
Issued during the year	-	-
As at March 31, 2022	**11,91,55,843**	**1,191.56**
Issued during the year	-	-
As at March 31, 2023	**11,91,55,843**	**1,191.56**

Terms/ rights attached to equity shares

a) 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.

b) 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, 2023 No. of shares	As at March 31, 2022 No. of shares
119,155,843 Equity Shares of Rs. 10/- each (March 31, 2022 : 119,155,843 Equity Shares of Rs. 10/- each) Muthoot Finance Limited	11,91,55,843	11,91,55,843

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	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

Promoter Name	As at March 31, 2023		
	No. of shares	% of total shares	% change dunring the year
Muthoot Finance Limited	11,91,55,843	100%	Nil

Promoter Name	As at March 31, 2022		
	No. of shares	% of total shares	% change dunring
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 2023

MUTHOOT HOMEFIN (INDIA) LIMITED *

Note 20: Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory reserve (Pursuant to section 29 C of National Housing Bank Act, 1987)*		
Opening balance	335.50	318.69
Add: Transfer from surplus balance in the Statement of Profit and Loss	20.80	16.81
Closing balance	**356.30**	**335.50**
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	795.13	727.90
Add: Profit for the year	103.98	84.04
Less: Appropriation :-		
Transfer to Statutory Reserve	(20.80)	(16.81)
Closing balance	**878.31**	**795.13**
Other Comprehensive income		
Opening balance	1.76	1.63
Add: Other Comprehensive income for the year before income tax	(0.09)	0.18
Less: Income Tax on OCI	0.02	(0.05)
Closing balance	1.69	**1.76**
Total	**3,383.11**	**3,279.20**

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 Comoany. 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. 20.80 million to special reserve in terms of Section 29C (i) of NHB Act 1987.

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Notes to the financial statements for year ended March 31, 2023

(Rs in Million)

Note 22: Interest income

Particulars	For year ended March 31, 2023				For the year ended March 31, 2022			
	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 on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans:								
interest income on loans	-	1,332.15	-	1,332.15	-	1,626.25	-	1,626.25
Interest on deposits with Banks	-	17.38	-	17.38	-	11.87	-	11.87
Total	-	**1,349.53**	-	**1,349.53**	-	**1,638.12**	-	**1,638.12**

Note 23: Net gain on fair value changes

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
On investment portfolio	-	-
- investments in Mutual Funds	16.35	13.93
- Security Receipts		
Total Net gain/(loss) on fair value changes	16.35	13.93
Fair Value changes:		
- Realised	16.35	13.93
- Unrealised	-	
Total Net gain/(loss) on fair value changes	**16.35**	**13.93**

Note 24: Other Income

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Bad debts recovered	120.28	43.79
Other interest income	0.83	0.89
Other income	38.56	45.72
Total	**159.67**	**90.40**

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Notes to the financial statements for year ended March 31, 2023

(Rs in Million)

Note 25: Finance Cost

Particulars	For year ended March 31, 2023			For the year ended March 31, 2022		
	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	-	262.79	262.79	-	458.23	458.23
Interest on Loan from Financial Instituions	-	-	-	-	13.21	13.21
Interest on Refinance from NHB	-	121.79	121.79		71.63	71.63
Interest on Debt Securities	-	193.29	193.29	-	251.67	251.67
Interest on Inter Corporate Deposits	-	-	-	-	0.02	0.02
Other borrowing costs	-	11.33	11.33	-	13.12	13.12
Total	-	**589.20**	**589.20**	-	**807.88**	**807.88**

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.

Particulars	For year ended March 31, 2023			For the year ended March 31, 2022		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	103.91	103.91	-	703.75	703.75
Investments	-	115.94	115.94	-	7.00	7.00
Total	-	**219.85**	**219.85**	-	**710.75**	**710.75**

Note 27: Employee Benefit Expenses

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	332.55	266.60
Contributions to Provident and Other Funds	11.88	10.61
Gratuity Expenses	1.95	1.67
Staff Welfare Expenses	11.65	4.73
Total	**358.04**	**283.61**

Note 28: Depreciation, amortization and impairment

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of Tangible Assets	17.44	14.68
Amortization of Intangible Assets	1.23	1.83
Total	**18.67**	**16.51**

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Notes to the financial statements for year ended March 31, 2023

Note 29: Other Expenses (Rs in Million)

Particulars	Fnr year ended March 31, 2023	For the year ended March 31, 2022
Rent	38.79	45.61
Electricity Charges	4.89	5.20
Business Promotion Expenses	0.41	0.06
Advertisement	12.13	6.61
Repairs & Maintenance	5.25	5.72
Credit Rating Fees	2.78	3.14
Credit Verification Charges	8.08	4.31
Postage, Telegram and Telephone	4.71	5.36
Printing and Stationery	4.20	3.05
Rates & Taxes	0.83	1.33
Legal & Professional Charges	79.77	68.71
Travelling and Conveyance	14.09	6.64
Bank Charges	1.36	1.64
Franking & Stamp Paper Charges	0.10	0.10
General Office Expenses	1.76	0.65
House Keeping Charges	3.56	3.58
Vehicle Hire & Maintenance	0.42	0.27
Payments to Auditor	1.19	0.88
Directors' Sitting Fee	1.12	1.16
Commission	5.80	0.67
IT infrastructure and Maintenance Charges	9.86	4.80
Technical Verification charges	8.34	5.78
Loss on sale of asset	7.86	6.47
CSR Expense	4.39	7.20
Total	**221.69**	**188.94**

29.1 Auditor fees

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Statutory audit (including Limited Review)	0.88	0.65
Tax audit	0.16	0.16
Other Services	0.15	0.07
	1.19	**0.88**

29.2 Corporate Social Responsibility (CSR)

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the company during the year	4.39	7.20
Amount unspent/ (excess spent) carried forward from earlier years	-	-
Amount actually spent during the year	4.39	7.20
(Excess amount spent carried forward)/ Short fall	-	-
Reason for shortfall	NA	NA
Related party transactions - Muthoot M George Foundation	4.39	7.20
Provision made for liability incurred	NA	NA

Nature of CSR Activities	For year ended March 31, 2023	For the year ended March 31, 2022
Promotion of Education	0.13	3.67
Promotion of Health Care including Preventive Health Care	3.83	2.19
Promotion of gender equality & empowerment of women	0.43	1.29
Promotion of rural / nationalised sports	-	0.05
Total	4.39	7.20

Note 30: Income Tax (Rs in Million)

The components of income tax expense for the year ended March 31, 2023 and year ended March 31, 2022 are:

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Current tax	50.47	-
Deferred tax relating to origination and reversal of temporary differences	(13.79)	24.06
Income tax expense reported in statement of profit and loss	**36.68**	**24.06**
OCI Section		
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	0.02	(0.05)
Income tax charged to OCI	**0.02**	**(0.05)**

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, 2023 and year ended March 31, 2022 is, as follows:

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	140.66	100.97
Statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	35.40	25.41
Effect of unrecognised deferred tax assets	(0.02)	(3.54)
Additional deduction under Income tax act	-	-
Effect of change in tax rate	-	-
Others	1.29	2.19
Income tax expense reported in the statement of profit or loss	**36.67**	**24.06**

The effective income tax rate for March 31, 2023 is 26.08% (March 31, 2022: 23.83%).

Note 31: Deferred tax
The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

	Balance sheet		Statement of profit and loss	
	As at March 31, 2023	**As at March 31, 2022**	**For year ended March 31, 2023**	**For the year ended March 31, 2022**
Fixed assets: Impact of difference between tax depreciation and depreciation as per books of account	10.60	11.60	1.00	(1.76)
Statutory Reserve	(67.54)	(62.31)	5.23	-
Interest spread on assigned loans	(177.34)	(215.97)	(38.63)	59.25
Provision for NPA	73.64	53.20	(20.44)	(2.26)
Prepaid expense	(0.62)	(0.78)	(0.16)	(0.23)
Security Deposit	0.86	1.02	0.16	0.11
Bank Borrowings	(0.15)	(0.28)	(0.13)	(3.36)
Housing Loans processing fees	5.99	11.02	5.03	7.90
Provision for Gratuity	1.97	1.78	(0.19)	(0.37)
Provision for Leave Encashment	0.87	1.00	0.13	(1.00)
Tax on carry forward loss	-	34.17	34.17	(34.17)
Net deferred tax asset / (liabilities)	**(151.73)**	**(165.55)**		
Deferred tax charge/(credit)			**(13.82)**	**24.11**

Reconciliation of deferred tax assets/(liabilities)

	For year ended March 31, 2023	As at March 31, 2022
Opening balance	(165.55)	(141.44)
Tax income/(expense) during the year recognised in profit or loss	13.80	(24.06)
Tax income/(expense) during the year recognised in OCI	0.02	(0.05)
Closing balance	(151.73)	(165.55)

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Notes to the financial statements for year ended March 31, 2023

Note 32: Earnings per share (Rs in Million)

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 year ended March 31, 2023	For the year ended March 31, 2022
Net profit attributable to ordinary equity shareholders	103.98	84.04
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.)	**0.87**	**0.71**
Diluted earnings per share (Rs.)	**0.87**	**0.71**

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Note 33: Retirement Benefit Plan (Rs in Million)

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 year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	1.81	1.56
Interest cost on benefit obligation	0.29	0.23
Expected return on plan assets	(0.15)	(0.11)
Past Service Cost	-	-
Net actuarial (gain)/loss recognized in the year	(0.18)	(0.18)
Net (benefit) / expense	**1.77**	**1.50**
Actual return on plan assets	**0.28**	**0.19**

Balance Sheet

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

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	7.83	6.34
Fair value of plan assets	4.20	2.75
Asset/ (liability) recognized in the balance sheet	(3.64)	(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, 2023	As at March 31, 2022
Opening defined benefit obligation	6.34	5.35
Transfer in/ (out)	-	-
Current service cost	1.81	1.56
Interest Cost	0.29	0.23
Benefits paid	(0.83)	(0.70)
Past Service Cost	-	-
Actuarial loss / (gain) on Re-measurements	0.22	(0.10)
Closing defined benefit obligation	**7.83**	**6.34**

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(Rs in Million)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	2.75	1.76
Transfer in/Out	-	-
Expected return	0.15	0.11
Contributions by employer	2.00	1.50
Benefits paid	(0.83)	(0.70)
Actuarial gain/ (loss)	0.13	0.08
Closing fair value of plan assets	**4.20**	**2.75**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.1% p.a	4.6% 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	4.6% p.a	4.3% p.a

Assumptions	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (March 31, 2023)	DBO decreases by Rs 0.21	DBO increases by Rs 0.21	DBO increases by Rs 0.20	DBO decreases by Rs 0.22
Impact on defined benefit obligation (March 31, 2022)	DBO decreases by Rs 0.19	DBO increases by Rs 0.20	DBO increases by Rs 0.19	DBO decreases by Rs 0.19

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 2 years (March 31, 2022: 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.

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Note 34: Maturity analysis of assets and liabilities

(Rs in Million)

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.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	104.32	-	104.32	46.66	-	46.66
Bank Balance other than above	266.92	-	266.92	0.55	252.22	252.77
Loans	2,056.22	8,450.70	10,506.92	1,681.03	8,614.60	10,295.63
Investments	4.42	39.83	44.25	1,062.90	69.26	1,132.16
Trade receivables	-	-	-	-	-	-
Other financial assets	126.76	596.64	723.40	126.40	752.78	879.18
Non-financial Assets						
Current tax assets (Net)	71.25		71.25	78.68	-	78.68
Property, plant and equipment	-	359.43	359.43	-	39.90	39.90
Capital Work In Progress	-	-	-	66.97	-	66.97
Other intangible assets	-	1.05	1.05	-	2.96	2.96
Other non financial assets	25.80	7.24	33.04	23.79	7.27	31.06
Total assets	**2,655.70**	**9,454.88**	**12,110.58**	**3,086.98**	**9,738.99**	**12,825.97**
Liabilities						
Financial Liabilities						
Trade Payable	39.22	-	39.22	33.06	-	33.06
Borrowings (other than debt securities)	1,139.30	3,562.40	4,701.70	1,122.90	4,098.77	5,221.67
Debt securities	250.00	1,650.22	1,900.22	1,020.47	1,400.22	2,420.69
Other Financial liabilities	593.53	135.72	729.25	398.71	100.58	499.29
Non-financial Liabilities						
Provisions	2.00	5.07	7.07	2.00	5.56	7.56
Deferred tax liabilities (net)	-	151.73	151.73	-	165.55	165.55
Other non-financial liabilities	6.72	-	6.72	7.39	-	7.39
Total Liabilities	**2,030.77**	**5,505.14**	**7,535.91**	**2,584.53**	**5,770.68**	**8,355.21**
Networth			4,574.68			4,470.76

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Notes to the financial statements for year ended March 31, 2023

Note 35: Change in liabilities arising from financing activities (Rs in Million)

Particulars	As at March 31, 2022	Cash Flows	Other	As at March 31, 2023
Borrowings other than debt securities	5,221.67	(520.50)	0.53	4,701.70
Debt securities	2,420.69	(520.47)	-	1,900.22
Other Financial liabilities	499.29	229.96	-	729.25
Total liabilities from financing activities	**8,141.65**	**(811.01)**	**0.53**	**7,331.17**

Note 36: Contingent liabilities, commitments and leasing arrangements

(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, 2022 : 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. 225.5 million (March 31, 2022 : Rs. 225 million)

(B) Commitments

i. Estimated amount of contracts remaining to be executed on capital account, net of advances and not provided for: NIL (March 31, 2022 :251.92)
ii. Undrawn committed sanctions to borrowers: Rs. 230.52 million (March 31, 2022 :Rs. 220.36 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. 38.79 million (March 31, 2022: Rs.45.61 million) are recognized as Rent in the Statement of Profit & Loss

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Notes to the financial statements for year ended March 31, 2023

Note 37: Related Party Disclosures

(Rs in Million)

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

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
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 (resigned on 1st Feb 2023)	Chief Executive Officer
Mr. Alok Aggarwal (appointed on 1st Jan 2023)	Chief Executive Officer
Mr. Pandurang A Kadam	Chief Financial Officer
Mrs Jinu Mathen (resigned on 07th Jan 2023)	Company Secretary
Mrs Riya G (appointed on 07th Jan 2023)	Company Secretary

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Related Party transactions during the year: (Rs in Million)

Particulars	Holding Company		Key Management Personnel		Fellow Subsidiary (Muthoot Money Limited)		Enterprises owned or significantly influenced by key management personnel or their relatives (Muthoot M George Foundation)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Directors Remuneration	-	-	-	-	-	-	-	-
Sitting fees to Non-executive Directors	-	-	1.13	1.06	-	-	-	-
ICD taken	-	100.00	-	-	-	-	-	-
ICD repaid	-	100.00	-	-	-	-	-	-
Interest paid on ICD	-	0.02	-	-	-	-	-	-
CSR Contribution	-	-	-	-	-	-	4.39	7.20
Loan Given	-	-	-	-	500.00	1,200.00	-	-
Loan received back	-	-	-	-	500.00	1,200.00	-	-
Interest collected on loan given	-	-	-	-	9.18	23.59	-	-
Processing fee collected on loan given	-	-	-	-	-	-	-	-
Rent on account of infrastructure sharing	2.69	-	-	-	-	0.06	-	-
Share of Housekeeping chages	-	-	-	-	-	0.04	-	-
Service charges	0.01							
Balance outstanding as at the year end:								
Term Loan Outstanding	-	-	-	-	-	-	-	-
ICD Payable	-	-	-	-	-	-	-	-
Sitting Fees Payable	-	-	-	-	-	-	-	-
Charges for Collection	0.01	-	-	-	-	-	-	-
Corporate Guarantee Taken	2,750	2,250	-	-	-	-	-	-

Note:

a) Related parties have been identified on the basis of the declaration received by the management and other records available.

b) 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.

c) During the year transactions done only with Muthoot Money Limited (Fellow Subsidiary)

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, 2023	As at March 31, 2022
Contribution to PF (defined contribution)	0.37	0.33
Short term benefits	16.26	11.80
Termination benefits	0.22	0.22
Total	**16.85**	**12.35**

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Notes to the financial statements for year ended March 31, 2023

Note 38: Capital Risk Management (Rs in Million)

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, 2023)	Denominator (As at March 31, 2023)	As at March 31, 2023	As at March 31, 2022	% Variances	Reason for variances (if above 25%)
(i) Capital to risk-weighted asset ratio (CRAR)	3,926.94	6,241.74	62.91%	60.34%	2.57%	NA
(ii) Tier I CRAR	3,858.49	6,241.74	61.82%	59.79%	2.03%	NA
(iii) Tier II CRAR	68.45	6,241.74	1.10%	0.55%	0.55%	NA
(iv) Liquidity coverage ratio	371.24	297.57	124.76%	111.16%	13.60%	NA

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Note 39: Fair Value Measurement

(Rs in Million)

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, 2023 is as follows:

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in Mutual Funds	-	-	-	-
Investment in Security Receipts	-	44.25	-	44.25

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

Particulars	At FVTPL			
	Level-1	Level-2	Level-3	Total
Investment in Mutual Funds	952.90	-	-	952.90
Investment in Security Receipts	-	186.26	-	186.26

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.

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.

Particulars	Level	Carrying Value		Fair Value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets					
Cash and cash equivalents	2	104.32	46.66	104.32	46.66
Bank Balance other than above	2	266.92	252.77	266.92	252.77
Loans	3	10,506.92	10,295.63	10,506.92	10,295.63
Other Financial assets	2	723.40	879.18	723.40	879.18
Total Financial Assets		**11,601.56**	**11,474.24**	**11,601.56**	**11,474.24**
Financial Liabilities					
Trade Payable	3	39.22	33.06	39.22	33.06
Debt securities	2	1,900.22	2,420.69	1,900.22	2,420.69
Borrowings (other than debt security)	2	4,701.70	5,221.67	4,701.70	5,221.67
Other Financial liabilities	2	729.25	499.29	729.25	499.29
Total Financial Liabilities		**7,370.39**	**8,174.71**	**7,370.39**	**8,174.71**

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.

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Note 40: Risk Management (Rs in Million)

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 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*

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Muthoot Homefin (India) Limited
Notes to the financial statements for year ended March 31, 2023

(Rs in Million)

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 HPA 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 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.

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, 2023:

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)	34.92	14.09	228.02	342.85	519.42	1,984.45	946.76	631.78	4,702.29	0.59	4,701.70
Debt securities	-	-	250.00	-	-	968.35	181.87	500.00	1,900.22	-	1,900.22
Other financial liabilities	251.55	177.15	129.16	35.68	-	41.25	94.47	-	729.26	-	729.26
Loans	173.26	166.00	187.65	555.84	981.73	2,382.36	2,007.78	4,076.11	10,530.73	23.80	10,506.93
Investments	-	-	-	-	4.42	39.82	-	-	44.24	-	44.24
Other financial assets	15.37	10.00	10.00	31.39	60.00	240.00	240.00	116.64	723.40	-	723.40

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

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)	66.18	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	-	-	-	1,020.47	-	1,218.35	181.87	-	2,420.69	-	2,420.69
Other financial liabilities	137.36	111.43	27.52	122.40	-	30.66	69.92	-	499.29	-	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	-	-	1,132.16	-	1,132.16
Other financial assets	15.00	10.00	10.00	31.40	60.00	240.00	240.00	272.78	879.18	-	879.18

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
31-Mar-23						
Other undrawn commitments to lend	-	138.31	92.21	-	-	230.52
Total commitments	-	**138.31**	**92.21**	-	-	**230.52**
31-Mar-22						
Other undrawn commitments to lend	-	132.22	88.14	-	-	220.36
Total commitments	-	**132.22**	**88.14**	-	-	**220.36**

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Notes to the financial statements for year ended March 31, 2023

(Rs in Million)

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 year ended March 31, 2023	For the year ended March 31, 2022
On Loans and Advances		
1% increase	104.16	129.14
1% decrease	(104.16)	(129.14)
On Borrowings		
1% increase	70.33	97.33
1% decrease	(70.33)	(97.33)

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.

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.

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MUTHOOT HOMEFIN (INDIA) LIMITED

Notes to the financial statements for year ended March 31, 2023 (Rs in Million)

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 amoonts due to the suppliers registered under MSMED Act, 2006 as on 31.03.2023.

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 identifed 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 tu 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	290.85	22.4	-	21.49	266.43

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: Relationship with Struck off Companies

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 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 Kolath & Co
Chartered Accountants
FRN: 008926S

Santhi Elizabeth Liju
Partner
M. No. 210978
Date: May 04, 2023
Place: Kochi
UDIN: 23210978BGYKDC4343

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

George Alexander Muthoot
Director
DIN: 00016787

Eapen Alexander
Whole-time Director
DIN: 03493601

Alok Aggarwal
Chief Executive Officer

Pandurang Kadam
Chief Financial Officer

Riya P G
Company Secretary

Annex III

Schedule to the Balance Sheet of an HFC					
					(Rs in Crore)
Particulars					
Liabilities Side				**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a)	Debentures : Secured		190.02	-
		: Unsecured		-	-
	(b)	Deferred Credits		-	-
	(c)	Term Loans		470.17	-
	(d)	Inter-corporate loans and borrowing		-	-
	(e)	Commercial Paper		-	-
	(f)	Public Deposits		-	-
	(g)	Other Loans (specify nature)		-	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a)	In the form of Unsecured debentures		-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		-	-
	(c)	Other public deposits		-	-
Assets Side				**Amount Outstanding**	
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**				
	(a)	Secured			1,086.47
	(b)	Unsecured			-
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**				
	(i)	Lease assets including lease rentals under sundry debtors			
		a)	Financial Lease		-
		b)	Operating Lease		-
	(ii)	Stock on hire including hire charges under sundry debtors			
		a)	Assets on hire		-
		b)	Repossessed Assets		-
	(iii)	Other loans counting towards asset financing activities			
		a)	Loans where assets have been repossessed		-
		b)	Loans other than (a) above		-
(5)	**Break-up of Investments**				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity		-
			(b) Preference		-
		(ii)	Debentures and Bonds		-
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Others (please specify)		-
	2	Unquoted			
		(i)	Shares		
			a) Equity		-
			b) Preference		-
		(ii)	Debentures and Bonds		-
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Others (Security Receipts of Trust)		0.44

	Long Term Investments			
	1	Quoted		
		i)	Shares	
			a) Equity	-
			b) Preference	-
		ii)	Debentures and Bonds	-
		iii)	Units of mutual funds	-
		iv)	Government Securities	-
		v)	Others (please specify)	-
	2	Unquoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (Security Receipts of Trust)	3.99

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category			Amount net of Provisions		
			Secured	**Unsecured**	**Total**
1	**Related Parties**				
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	-	-
2	Other than related parties		1,050.69	-	1,050.69
		Total	**1,050.69**	**-**	**1,050.69**

(7) Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted) :

Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions
1	**Related Parties**			
	a)	Subsidiaries	-	-
	b)	Companies in the same group	-	-
	c)	Other related parties	-	-
2	Other than related parties		4.43	4.43
		Total	**4.43**	**4.43**

(8) Other information

Particulars			Amount
(i)	Gross Non-Performing Assets		
	a)	Related parties	-
	b)	Other than related parties	43.63
(ii)	Net Non-Performing Assets		
	a)	Related parties	-
	b)	Other than related parties	14.70
(iii)	Assets acquired in satisfaction of debt		-

Muthoot Homefin (India) Limited (Rs in Crore)

Notes to the financial statements for year ended March 31, 2023

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, 2023.

3. **Disclosures:**

3.1. **Capital**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) CRAR (%)	62.91%	60.34%
(ii) CRAR – Tier I Capital (%)	61.82%	59.79%
(iii) CRAR – Tier II Capital (%)	1.10%	0.55%
(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, 2023	As at March 31, 2022
Balance at the beginning 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**
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	2.08	1.68
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	-	-
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	31.05	28.97
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	**35.63**	**33.55**

3.3. **Investment**

Particulars	As at March 31, 2023	As at March 31, 2022
3.3.1. Value of Investments		
(i) Gross Value of Investments		
(a) In India	4.43	113.92
(b) Outside India	-	
(ii) Provision for Depreciation		
(a) In India	-	0.70
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	4.43	113.22
(b) Outside India	-	
3.3.2. Movement of provisions held towards depreciation on investments		
(i) Opening Balance	0.70	-
(ii) Add: Provisions made during the year	-	0.70
(iii) Less: Write-off/Written-back of excess provisions during the year	0.70	-
(iv) Closing Balance	-	0.70

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(Rs in Crore)

3.4. Derivatives

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

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The notional principal of swap agreements	NA	NA
(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		
(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, 2023	As at March 31, 2022
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	NA	NA
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31 March, 2021 (instrument-wise)		
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

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)	NA	NA
(ii) Marked to Market Positions		
(a) Assets (+)		
(b) Liability (-)		
(iii) Credit Exposure		
(iv) Unhedged Exposures		

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:

Particulars	As at March 31, 2023	As at March 31, 2022
1. No of SPVs sponsored by the Company for securitisation transactions	NA	NA
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		
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		

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MUTHOOT HOMEFIN (INDIA) LIMITED

(Rs in Crore)

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

Particulars	As at March 31, 2023	As at March 31, 2022
(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, 2023	As at March 31, 2022
(i) No of accounts	-	2632
(ii) Aggregate value (net of provisions) of accounts assigned	-	167.94
(iii) Aggregate consideration	-	167.94
(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, 2023	As at March 31, 2022
1. (a) No of accounts purchased during the year	NA	NA
(b) Aggregate outstanding		
2. (a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		

II. Details of non-performing financial assets sold:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) No of accounts sold	NA	NA
(b) Aggregate outstanding		
(C) Aggregate consideration received		

3.6. Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2023

Particulars	Liabilities			
	Deposits	Borrowings from banks	Market borrowings	Foreign Currency Liabilities
1 day to 7 days	-	2.08	-	-
8 to 14 days	-	-	-	-
15 to 30/31 days	-	1.41	25.00	-
Over one month upto 2 months	-	1.41	-	-
Over 2 months upto 3 months	-	22.80	-	-
Over 3 months to 6 months	-	34.29	-	-
Over 6 months to 1 year	-	51.94	-	-
Over 1 year to 3 years	-	198.45	96.84	-
Over 3 year to 5 years	-	94.67	18.18	-
Over 5 years	-	63.18	50.00	-
Total	-	470.23	190.02	-
Ind AS Adjustment	-	0.06	-	-
Total	-	**470.17**	190.02	-

Rarticulars	Assets		
	Advance	Investments	Foreign Currency Assets
1 day to 7 days	5.44	-	-
8 to 14 days	5.44	-	-
15 to 30/31 days	6.46	-	-
Over one month upto 2 months	16.60	-	-
Over 2 months upto 3 months	18.77	-	-
Over 3 months to 6 months	55.58	-	-
Over 6 months to 1 year	98.17	0.44	-
Over 1 year to 3 years	238.24	3.98	-
Over 3 year to 5 years	200.78	-	-
Over 5 years	407.61	-	-
Total	**1,053.08**	4.42	-
Ind AS Adjustment	2.38	-	-
Total	1,050.70	4.42	-

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MUTHOOT HOMEFIN (INDIA) LIMITED

Muthoot Homefin (India) Limited (Rs in Crore)

Notes to the financial statements for year ended March 31, 2023

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

Particulars	Liabilities			
	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	-	**522.39**	**242.07**	-

Particulars	Assets		
	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	**1,038.32**	**113.22**	-

KOLATH & CO ★ CHARTERED ACCOUNTANTS MUMBAI 400 079

MUTHOOT HOMEFIN (INDIA) LIMITED ★

Muthoot Homefin (India) limited (Rs in Crore)

3.7. Exposure

3.7.1. Exposure to Real Estate Sector

	Category	As at March 31, 2023	As at March 31, 2022
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;	1,086.47	1,055.28
(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	1,086.47	1,055.28

3.7.2. Exposure to Capital Market

Particulars	As at March 31, 2023	As at March 31, 2022
(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	NIL	NIL
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	NIL	NIL
(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	NIL	NIL
(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	NIL	NIL
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	NIL	NIL
(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	NIL	NIL
(vii) Bridge loans to companies against expected equity flows / issues	NIL	NIL
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total Exposure to Capital Market	NIL	NIL

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		

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/Adverse comment imposed by NHB/RBI and other regulators

No Penalty has been levied on the company by NHB/RBI during the year. There is no adverse comment by NHB which need public disclosure.

MUTHOOT HOMEFIN (INDIA) LIMITED

Muthoot Homefin (India) Limited (Rs in Crore)

Notes to the financial statements for year ended March 31, 2023

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 Transaction 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	Type	As at March 31, 2023	As at March 31, 2022
CARE	Commercial Paper	CARE A1+	CARE A1+
CARE	Non-Convertible Debentures	CRISIL AA+/Stable	CRISIL AA+/Stable
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

Particulars	As at March 31, 2023	As at March 31, 2022
Net Profit for the year	10.40	8.40
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.

5. Additional Disclosures

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

Particulars	As at March 31, 2023	As at March 31, 2022
1. Provisions for depreciation on Investment	-	0.70
2. Provision made towards Income Tax	5.05	-
3. Provision towards NPA	11.17	(2.94)
4. Provision for Standard Assets	0.07	(1.26)
5. Provision for Restructured Assets	(1.17)	3.84
6. Provision for Gratuity	0.20	0.15
7. Provision for Compensated Absences	0.40	0.40

Break up of Loans & Advances and Provisions thereon

Particulars	Housing		Non-Housing	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Standard Assets				
a) Total Outstanding Amount	878.27	897.41	166.94	131.33
b) Provision Made	5.76	7.62	1.09	0.33
Sub-Standard Assets				
a) Total Outstanding Amount	27.75	26.65	3.04	3.33
b) Provision Made	18.40	16.36	2.02	0.86
Doubtful Assets - Category - I				
a) Total Outstanding Amount	10.37	0.58	1.04	0.36
b) Provision Made	6.87	0.50	0.69	0.04
Doubtful Assets - Category - II				
a) Total Outstanding Amount	1.27	-	0.17	-
b) Provision Made	0.84	-	0.11	-
TOTAL				
a) Total Outstanding Amount	917.66	924.64	171.19	135.02
b) Less: Ind AS Adjustments	2.38	4.38	-	-
Total Outstanding Amount (A-B)	915.28	920.26	171.19	135.02
C) Provision Made	31.87	24.48	3.91	1.23

5.2. Draw Down from Reserves

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

Muthoot Homefin (India) limited (Rs in Crore)

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

5.3.1. **Concentration of Public Deposits**

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers	13.78	11.74
% of Loans & Advances to twenty largest borrowers to Total Advances of the company	1.27%	1.11%

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

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers	13.82	13.48
% of Exposures to twenty largest borrowers to Total Advances of the company	1.27%	0.68%

5.3.4. **Concentration of NPAs**

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top ten NPA Accounts	0.25%	2.28

5.3.5. **Sector-wise NPAs**

Sector	% of NPAs to Total Advances in that sector	
	As at March 31, 2023	As at March 31, 2022
A. Housing Loans:		
1 Individuals	3.62%	2.78%
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	0.39%	0.15%
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, 2023	As at March 31, 2022
(i) Net NPAs to Net Advances (%)	1.39%	1.27%
(ii) Movement of NPAs (Gross)		
a) Opening Balance	30.92	68.09
b) Additions during the year	26.27	109.74
c) Reductions during the year	13.56	146.91
d) Closing Balance	43.63	30.92
(iii) Movement of Net NPAs		
a) Opening Balance	13.16	47.39
b) Additions during the year	15.10	46.70
c) Reductions during the year	13.56	80.93
d) Closing Balance	14.70	13.16
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	17.76	20.70
b) Provisions made during the year	11.17	63.04
c) Write-off/write-back of excess provisions	-	65.98
d) Closing Balance	28.93	17.76

5.5. The Company does not have any overseas assets as on March 31, 2023 (March 31, 2022 : Nil)

5.6. The company does not have any off-balance sheet sponsored SPVs which needs to be consolidated as per accounting norms

6. There are no frauds to be reported during the financial year.

7. **Disclosure of Complaints**

7.1. **Customer Complaints**

Particulars	As at March 31, 2023	As at March 31, 2022
1) No. of complaints pending at the beginning of the year	-	-
2) No. of complaints received during the year	169	312
3) No. of complaints redressed during the year	169	312
4) No. of complaints pending at the end of year	-	-

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MUTHOOT HOMEFIN (INDIA) LIMITED

Muthoot Homefin (India) Limited (Rs in Crore)

Notes to the financial statements for year ended March 31, 2023

Maintainable complaints received by the company from office of Ombudsman

5) # Number of maintainable complaints received by the Company from Office of	NA	NA
5.1 Of 5, number of complaints resolved in favour of the Company by Office of	NA	NA
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NA	NA
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	NA	NA
6) #Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the scheme.

The Peserve Bank - Integrated Ombudsman Scheme, 2021 is not applicable to the Company.

7.2 **Top five grounds of complaints received by the Company from customers**

Grounds of Complaints (i.e. complaints relating to)	Number of complaints pending at the begining of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5 number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended 31st March 2023					
1. Foreclosure letter issuance	-	67	205%	-	-
2. Loan Closure related	-	16	1500%	-	-
3. Transaction related	-	10	150%	-	-
4. Credit Bureau related	-	5	-81%	-	-
5.PMAY Subsidy related	-	4	-20%	-	-
6.Others	-	67	-74%	-	-
Total		169	-46%	-	-
Year ended 31st March 2022					
1. Foreclosure letter issuance	-	22	633%		
2. Loan Closure related	-	1	0%	-	-
3. Transaction related	-	4	0%	-	-
4. Credit Bureau related	-	26	2500%	-	-
5.PMAY Subsidy related	-	5	-96%	-	-
6.Others	-	254	-35%	-	-
Total		312	-39%	-	-

8. **Principal Business Criteria for HFCs**

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

a) 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).

b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

The Company meets the aforesaid principal business criteria for HFCs.

Particulars	As at March 31, 2023	As at March 31, 2022
Total Assets	1,211.06	1,282.60
Less: Intangible assets	(1.16)	(1.71)
Net total Assets	1,209.90	1,280.89
Housing Finance	915.29	920.26
Individual Housing Finance	915.29	920.26
Percentage of housing finance to total assets (netted off intangible assets)	75.65%	71.85%
Percentage of individual housing finance to total assets (netted off intangible assets)	75.65%	71.85%
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, 2023	As at March 31, 2022
Number of significant counter parties	9	9
Amount	495.17	547.17
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities	65.71%	65.49%

* Company is Non deposit taking HFC and not accepted any deposits

(ii) Top 20 large deposits

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Total amount of top 10 borrowings	495.17	547.17
Percentage of amount of top 10 borrowings to total borrowings	75.00%	71.60%

Muthoot Homefin (India) Limited (Rs in Crore)

Notes to the financial statements for year ended March 31, 2023

(iv) Funding Concentration based on significant instrument/product

Particulars	As at March 31, 2023	Percentage of total liabilities	As at March 31, 2022	Percentage of total liabilities
Borrowings from Banks	281.94	37.41%	375.53	44.95%
Borrowings from Financial Institution	-	0.00%	-	0.00%
Borrowings from National Housing Bank (NHB)	188.23	24.98%	146.64	17.55%
Debt securities	190.02	25.22%	242.07	28.97%

(v) Stock ratio

Particulars	As at March 31, 2023	As at March 31, 2022
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	8.51%	5.28%
Other short term liabilities as a percentage of total assets	5.30%	3.44%

(vi) 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.

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MUTHOOT HOMEFIN (INDIA) LIMITED

(Rs in Crore)

10. Loans to Directors, Senior Officers and relatives of Directors

Particulars	As at March 31, 2023	As at March 31, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	-	-

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

As at 31 March 2023

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	976.18	3.91	972.28	3.90	0.00
	Stage 2	69.04	2.94	66.09	2.83	0.11
Subtotal		**1,045.22**	6.85	**1,038.37**	**6.73**	**0.11**
Non-Performing Assets (NPA)						
Substandard	Stage 3	30.79	20.42	10.37	4.62	15.80
Doubtful - up to 1 year	Stage 3	11.40	7.56	3.84	2.85	4.71
Doubtful - 1 to 3 year	Stage 3	1.44	0.95	0.49	0.58	0.38
Subtotal		**43.63**	28.94	**14.70**	**8.05**	**20.89**
Total	**Stage 1**	976.18	3.91	972.28	3.90	0.00
	Stage 2	69.04	2.94	66.09	2.83	0.11
	Stage 3	43.63	28.94	14.70	8.05	20.89
	Total	**1,088.85**	35.78	**1,053.07**	**14.78**	**21.01**
Ind AS Adjustment		(2.38)	-	(2.38)	-	-
Total		**1,086.47**	**35.78**	**1,050.69**	**14.78**	**21.01**

As at 31 March 2022

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
Doubtful - 1 to 3 year	Stage 3	-	-	-	-	-
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**

12. Figures for the previous year have been regrouped/ re-arranged wherever considered necessary to confirm to the figures presented in the current year.

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