



**MUTHOOT VEHICLE & ASSET FINANCE LIMITED**

**33<sup>rd</sup> ANNUAL REPORT**

**2024-25**

## **CORPORATE INFORMATION**

### **Board of Directors**

- |                        |                      |
|------------------------|----------------------|
| 1. Mr. Manoj Jacob     | Whole-Time Director  |
| 2. Mrs. Anna Alexander | Director             |
| 3. Mr. G R Ragesh      | Director             |
| 5. Mr. Kurian C George | Independent Director |
| 6. Mr. T Thomas Mathew | Independent Director |

### **Key Managerial Personnel**

- |                      |                   |
|----------------------|-------------------|
| 1. Mr. Philip P T    | CEO               |
| 2. Mrs. Geena Thomas | CFO               |
| 3. Ms. Nrithya Anand | Company Secretary |

<b>Registered Office</b> 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi - 682 018, Kerala, India  <b>Corporate Office</b> 5th & 6th Floor, Midhun Tower, K. P Vallon Road Kadavanthra, Kochi - 682 020, Kerala, India	<b>CIN</b> : U65910KL1992PLC006544 <b>RBI Reg No</b> : A-16.00042 <b>GSTN Kerala</b> : 32AADCM4352R1Z6 <b>GSTN Tamil Nadu</b> : 33AADCM4352R1Z4 <b>Tel</b> : 91- 7593864404 <b>Email</b> : mvfl@muthootgroup.com
<b>Public Deposit trustee</b> IDBI Trusteeship Services Ltd Universal Insurance Building Ground Floor, Sir P. M. Road, Fort Mumbai 400 001 India	<b>Debenture Trustee (Listed NCD)</b> IDBI TRUSTEESHIP SERVICES LIMITED Universal Insurance Building Ground Floor, Sir P. M. Road, Fort Mumbai 400 001 India Tel: (+91 22) 4080 7071 Website: <a href="http://www.idbitrustee.co.in">www.idbitrustee.co.in</a>
<b>Registrar and share transfer agent (RTA)</b> MUFG INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 089, India Tel: + 91 422 - 2314792, 2315792 Website: <a href="https://in.mpms.mufg.com">https://in.mpms.mufg.com</a>	<b>Rating Agencies</b> CRISIL
<b>Listing (Non-convertible debentures)</b> BSE Limited	<b>Bankers</b> HDFC Bank Ltd Yes Bank Ltd
<b>Secretarial Auditor:</b> M/s. Caesar Pinto John & Associates LLP, Kochi	<b>Statutory Auditors</b> M/s. R.G.N Price & Co; Cochin <b>Tax Auditors</b> M/s. R.G.N Price & Co; Cochin

## **MUTHOOT VEHICLE & ASSET FINANCE LIMITED**

### **Registered Office:**

2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi- 682 018, Kerala, India.

### **Branches**

SL. NO	BRANCH	ADDRESS
1	ALANGAD	1st Floor, Manathatt Building, Malikampeedika, Alangad, Ernakulam Dist - 683511
2	ALLEPPEY II	Door No: XII/244, Vanniyamparambil Building; Arattuvazhi, A.S. Rd, Alappuzha - 688007
3	ALWAYE	1st Floor, Ceevees Builders & Developers, D/No:369(2) AMC, Palace Road Aluva -683101
4	ANGAMALY	1st floor, VIP Towers, T B Junction, Angamaly, ernakulam - 683572
5	AYYAPPANKAVU	68/2823 A, Ground Floor, Near Ayyappankavu Temple, Ernakulam - 682018
6	CALICUT	Trade Arcade, 1st Floor,Opp; YMCA, Kannur Road, Calicut - 673001
7	CHENDRAPPINNI	KKN Complex, 1st Floor, Chendrapinni P.O., Thrissur - 680687
8	CHERAI	Door No-64/J,1st Floor, VS Building, Cherai, Ernakulam - 683514
9	CHERTHALA-GL	R4/BA-182/21, 1st Floor, Manorama Jn , Cherthala P.O., Alleppey - 688524
10	CITY BRANCH	Ground floor, Mithun Towers, K P Vallon Road, Kadavanthara, Kochin - 682020
11	COIMBATORE	Ground floor, No.7, NRN Layout , P N Palayam, Coimbatore - 641037
12	KANGARAPPADY	D/No:14/454-B1,1st Floor, Kangarappady Jn, Edappally-Pukkattupady Road, Ernakulam - 682021
13	KANNUR	1st Floor, Pee Key Complex Near Muneeshwaren Kovil, Kannur, Pin - 670001

14	KATHRIKADAVU	Madathilkunne Complex, 1st Floor, Kathrikadavu, Kaloork P.O., Ernakulam - 682017
15	KATTAPPANA	1st floor, Vadakkedath Building; Near Head Post Office, Kattappana, Idukki
16	KOLLAM	R R Tower, 1st Floor, Vendor Mukku, Madannada, Kollam Dist; Kerala - 691010
17	KOTHAMANGALAM	Ground Floor, Peechatt Building, High Range Jn, Kothamangalam, Ernakulam - 686691
18	KOTTARAKKARA	Shop No.25/400-3. Temple Nagar Padinjatinkara, Kottarakara-691506
19	KOTTAYAM	Chackalaparambil Commercial Center Kurushupally Junction, Puthennanpady Kottayam-686001
20	KOZHENCHERRY	Ground Floor Sopanam Edassermala Aranmula P O Payhanamthiita -689533
21	KURUPPUMPADY	Korattukudy Jacob Plaza, Ground Floor, Kuruppumpadi Jn, Kuruppumpady , Ernakulam - 683545
22	MALIKAMUKKU	1st Floor, SK Complex, Kanjiramchira P.O. Malikamukku, Alappuzha, PIN -688007
23	MARAMPALLY	Kadavil Building, 1st Floor, Marampally Jn, Marampally - 683107
24	MAVELIKKARA-TBM	Chempisseril Building,Ground floor, Near Fire Station Kayamkulam Pin 690502
25	MEENAKSHIPURAM	Akbar Complex, 1st Floor, Pollachi Road, Meenakshipuram, Palakkad - 678533.
26	MUTHALAMADA	PSS Plaza,Ground Floor, Kambrathuchalla, Muthalamada P.O, Palakkad Dist – 678507.
27	MUVATTUPUZHA	1st floor, Mariyil Tower, Opp; Tyre Bazar, Vazhappilly P.O., Muvattupuzha - 686673
28	NETTOOR	Door No-XIX/578A, Kuryappilly Building, 1st Floor, Nettoor P.O., Ernakulam - 682040
29	PALA	Jaya Press Building, 1st Floor, Chethimattam, Pala .P.O Kottayam Dist - 686575

30	PALAKKAD	1st Floor, Ghani's Building, Fort Maidan, Stadium Bypass Road, Palakkad - 678001
31	PALLIPPURAM	Melanna Plaza, Ground Floor, Munambam Angadi, Palliport P.O., 683515
32	PANANGAD	NM Mart, 1st Floor, NM Junction, Kumbalam P.o, Panangad
33	PATHANAMTHITTA	6/173-T, Hannah Tower, Santhosh Jn , Pathanamthitta - 689647
34	PERINTHALMANNA	Mashreq Trade Center, Near Malabar Gold Calicut Road, Perinthalmanna, Pin : 679322
35	PERUMBAVOOR	1st Floor, Bathel Suloko Orthodox Syrian Church Building Opp: ESAF Bank Ltd, MC Road, Perumbavoor - 683542
36	PUDUNAGARAM	Grand Towers,1st Floor, Kollengode Road, Puthunagaram P.O, Palakkad Dist -678503
37	THIRUVALLA	KV Building, 1st Floor, Thirumoolapuram P.O., Thiruvalla - 689115
38	THODUPUZZHA	Ground Floor,Pulimoottil Plaza, Near Town church, Thodupuzha -685584
39	THRISSUR	1st floor, Suncity Complex, Koorkencherry PO, Thrissur 680007
40	THURAVOOR	Kolattukudy Building, Ground Floor, Opp:Angamaly Bus Stop, Thuravoor Jn, Thuravoor P.O., Ernakulam -683572
41	TRIPUNITHURA-GL	1st Floor, Shankari Tower, Vadakkekotta, Thripunithura, Ernakulam - 682301
42	TRIVANDRUM	1st Floor, Golden Palace Arcade, Kaimanam JN., Trivandrum, PIN- 695040.
43	VANNAPPURAM	New No:XIII/1209, Kallarackal, Vannappuram P.O., Idukki District - 685607
44	VELLARIKUNDU	AJM Pathiyil Complex, Ground Floor, Vellarikkundu , Kasargod - 671534

45	ANNIE HALL	Yamuna Arcade, Ground Floor, Kallai Road, Palayam,673004
46	NELLAYI	VP Complex, Ground Floor, Nellayi, Mukundapuram, Thrissur-680305
47	PATTAMBI	Koppan Trade Centre,1st Floor, Opp. Myg Showroom,Mele Pattambi, Pattambi
48	KULAPPULLY	Muttappan Complex,Ground Floor Near Post Office, Kulapully,Shoranur
49	ANGADIPURAM	Opp Village Office, Angadipuram P.O., Perinthalmanna, Malappuram - 679322 / 9288025396
50	PANAMARAM	1st Floor, St.Jude Shopping Complex, Kalpatta-Mananthavady Road, Panamaram, Wayanad - 670721 - 9288025396
51	PUTHANANGADI	Palackal Building, Puthanangadi, Varanam P O, Near Supplyco, Alapuzha-688555
52	PATHANADU	Murickananical Building Kangazha P O, Pathanad, Kottayam. Pin -686541.
53	KALLUVATHUKKAL	Ground Floor,Kanakasree Square, Nadakkal Road vilavoorkonam P O, Kalluvathukkal,Kollam District, Pin - 691578.
54	KUNNICODE	Ground Floor, R P Tower Near Thettikuzhy Hospital Kunnicode P O, Kollam-691508

## **REPORT OF THE BOARD OF DIRECTORS**

Dear Shareholders,

Your directors present the 33<sup>rd</sup> Annual Report along with the audited standalone financial statements for 2024-25.

### **1. COMPANY OVERVIEW**

Muthoot Vehicle & Asset Finance Limited is a public limited company incorporated on 08 June 1992 under the Companies Act, 1956 and has its registered office at Muthoot Chambers, Opp Saritha Theatre, Banerji Road, Cochin, Ernakulam, Kerala - 682018. The Company changed its name from Muthoot Leasing and Finance Limited to Muthoot Vehicle & Asset Finance Limited in the year 2008. It is registered as a Deposit taking Non-Banking Finance Company vide the Reserve Bank of India ('RBI') certificate of registration dated November 30, 1998 (bearing no. 16.00042). The Company launched its initial public offering of non-convertible debentures and was listed on the BSE Ltd. in the year 2020. It has been classified in the Middle Layer pursuant to RBI Scale Based Regulations.

### **2. PERFORMANCE HIGHLIGHTS**

#### **i. Financial Results**

The financial highlights of your company for the financial year 2024-25 are summarized below:

(Amt. in lakhs)

Particulars	For the year ended	
	31.03.2025	31.03.2024
Total Income	6554.12	5990.29
Total expenses	5059.17	4397.02
Profit Before tax	1494.95	1593.27
Tax Expense	259.38	364.00
Profit after Tax	1235.57	1229.27
Basic Earnings per share (EPS)	4.94	4.92

*Note: Previous year figures have been reworked, re-grouped, re-arranged and re-classified to conform to the current year figures.*

#### **ii. Business Growth**

During the Financial Year (FY) ended March 31, 2025, the total Asset Under Management (AUM) of your Company increased by 2.47%. The AUM of the Company as on March 31, 2025 stood at Rs. 29,656.04 lakhs whereas for the same for the FY 2023-24 was Rs. 28,942.52 lakhs.

**iii. Profitability**

The total income of the Company increased to Rs. 6,554.12 lakhs during the FY 2024-25 as against Rs. 5,990.20 lakhs during the FY 2023-24. The total expenditure for the FY 2024-25 was at Rs. 5,059.17 lakhs as against Rs. 4,396.93 lakhs during the FY 2023-24.

**iv. Asset quality**

As on March 31, 2025, the Gross NPA and Net NPA in the books of your Company stood at Rs. 1,764.83 lakhs and Rs. 1,098.92 lakhs respectively. Your Company has also adopted new methods to control NPAs and improve asset quality at lower costs.

**v. Net worth & Capital Adequacy Ratio**

Consequent to the profit of Rs. 1,235.57 lakhs, the net worth of your Company increased to Rs. 12,126.92 lakhs as against Rs. 10906.83 lakhs in the previous year. The Company's Capital Adequacy Ratio (CRAR) as on March 31, 2025 stood at 38.57% of the aggregate risk weighted assets on the Balance Sheet and risk adjusted value of the off Balance Sheet items, which is above the statutory minimum of 15%. Out of the above, Tier I CRAR stood at 38.57% and Tier II CRAR stood at 0.00 %. The CRAR as on March 31, 2025, stood at 35.68%

**3. SCALE BASED REGULATIONS**

Reserve Bank of India issued a circular on "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs" on 22 October 2021 ('SBR Framework'). As per the framework, based on size, activity, and risk perceived, NBFCs are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). RBI has categorised Muthoot Vehicle & Asset Finance Limited as an NBFC - Middle Layer (NBFC-ML). The Company has put in place necessary Board approved policies like Compensation Policy for Key Managerial Personnel and Senior Management under the SBR Framework.

**4. FINANCIAL SUMMARY AND PERFORMANCE**

Your Company's business operations are primarily focused on retail lending portfolio and we cater extensively to retail customers. While in the past the Company had a wholesale lending business vertical which extended loans to commercial businesses, MVFL have discontinued the exposure to this portfolio and is now focusing on pure retail business only. During the year under review, your company advanced substantial amount of Gold Loans to diversify operations and to improve profitability. Your company opened 3 new branches during the year –Annie Hall, Angadippuram and Panamaram to cater to Gold Loan business.

The financial performance of your company during the year ended March 31, 2025 remained very healthy.

**5. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

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



**6. SHARE CAPITAL**

The issued, subscribed and paid-up Share Capital of the Company stood at Rs 25,00,00,000 as at 31<sup>st</sup> March 2025 comprising of 2,50,00,000 ordinary (equity) shares of Rs 10 each fully paid up. There were no change in Share Capital during the year under review.

**7. DIVIDEND**

No Dividend was declared for the current financial year.

**8. INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 ("the Act") no unclaimed/ unpaid dividend are liable to get transferred to Investor Education and Protection Fund during the financial year 2024-25.

During the financial year 2024-25, unclaimed deposit of Rs. 49,475 along with interest were transferred to IEPF as per applicable IEPF Rules.

**9. LISTING**

Non- Convertible debentures issued by the Company through public issues are listed on BSE Ltd. Your Company has paid applicable listing fees to Stock Exchanges.

**10. TRANSFER TO RESERVES**

During the year, the Company has transferred an amount of Rs. 247.11 lakhs to the Statutory Reserve maintained under Section 45-IC of the Reserve Bank of India Act, 1934. No General Reserve for the financial year ended March 31, 2025. Your Board has decided to retain Rs. 6,571.49 lakhs as surplus in the Profit and Loss Account.

**11. RESOURCE MOBILISATION**

**i. Fixed Deposits**

Your company is a Deposit Taking Asset Finance Company (NBFC-D), registered with Reserve Bank of India (RBI), which has been re-classified as a NBFC - Investment and Credit Company (NBFC-ICC) pursuant to RBI's recent directive. The deposits of the company are rated as "A (Stable)" by CRISIL. The outstanding amount of deposits as on March 31, 2025, received by the Company including interest accrued on that date is Rs.16293.69 lakhs.(Public deposit including interest accrued is Rs. 15,889.92 Lakhs and related parties including interest accrued Rs. 403.77 Lakhs). As on March 31, 2025, there are 13 accounts of public deposits amounting to Rs.62.58 lakhs which have not claimed for payment.

The figures are currently downwarded to 5 public deposits and Rs. 4.77 lakhs respectively as on July 24, 2025.

Chapter V of the Companies Act, 2013, relating to acceptance of deposits by Companies, is not applicable to the Company since it is a Deposit-Taking NBFC registered with RBI.

**TRUSTEES FOR DEPOSIT HOLDERS:** Subject to the provisions of RBI Guidelines for Trustees of deposit holders of the Non-Banking Finance Company (NBFC), the Board appointed IDBI Trusteeship Services Limited as Trustees for deposit holders.

In compliance with the Master Circular-Miscellaneous instruction to all NBFCs dated 1st July, 2014, your Company has created a floating charge on the Statutory Liquid Assets in favour of IDBI Trusteeship Service Limited as Trustee on behalf of the depositors as required under Section 45-1B of the RBI Act, 1934.

**ii. Bank Loan**

The company raised funds for its working capital requirements from banks. As on March 31 2025, the outstanding amount of loan against deposit placed with banks were NIL.

**iii. Loan from Directors & Relatives**

The company has not obtained any loans from their Directors/Relatives during the FY 2024-25. As on March 31, 2025, the outstanding amount from directors & relatives were Nil.

**iv. Secured Redeemable NCD (Public Issue)**

The Company raised funds by way of Public Issue of Secured Redeemable Non-Convertible Debentures (NCD) with a base Issue Size of Rs. 100 Crores with an option to retain over subscription upto Rs.100 Crores aggregating upto the Limit of Rs. 200 Crores in the year 2020. The Allotment was done on March 17, 2020 to 4838 applicants (for an amount of Rs. 200 Cores) and the same was listed with BSE on March 19, 2020. During the financial year ended March 31 2025, three ISINs were matured on March 17, 2025, which accounted for a payment of Rs 6401.01 crores to debenture holders.

**12. DIRECTORS**

Your Company has a well-structured Board consisting of five directors. Out of the non-executive directors, two are independent directors. The Board of Directors of your company as on March 31, 2025 are as follows:

Category	Name of Directors
Executive Directors	Mr. Manoj Jacob, Whole Time Director *
Non-Executive Non-Independent Directors	Mr. G.R Ragesh, Non-Executive Director
	Mrs. Anna Alexander, Non-Executive Director
Non – Executive Independent Directors	Mr. Kurian Chirathalattu George, Independent Director

	Mr. Thevalakkara Thomas Mathew, Independent Director
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**13. DECLARATION OF DIRECTORS**

All the Directors of the Company have confirmed that they satisfy the “Fit & Proper” criteria as prescribed under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164(2) of the Companies Act, 2013.

**14. RE-APPOINTMENT OF INDEPENDENT DIRECTORS**

During the period under review, Mr. Kurian Chirathalattu George and Mr. Thevalakkara Thomas Mathew were reappointed as the Independent Directors of the Company for a second consecutive term commencing from 32<sup>nd</sup> Annual General Meeting, till the 37<sup>th</sup> Annual General Meeting of the Company to be held in the year 2029.

**15. CESSATION/APPOINTMENT OF DIRECTORS**

Mr. George Muthoot Jacob (Whole-time Director) and Mr. George Alexander Muthoot (Director) resigned from the Board of the Company with effect from October 08, 2024.

Mr. Manoj Jacob was appointed as the Whole-time Director of the Company with effect from November 12, 2024.

Other than the above, there was no change in the constitution of the board of directors during the year under review.

**16. ROTATION OF DIRECTORS**

Mr. G.R Ragesh retires at the ensuing Annual General Meeting and seek for re-appointment. Recommendation for appointment is mentioned in Notice of the 33<sup>rd</sup> AGM. Your Board and the Nomination and Remuneration Committee has evaluated the eligibility criteria under RBI guidelines, the Act and Listing Regulations, of all the director seeking re-appointment.

**17. CHANGE IN KEY MANAGERIAL PERSONNELS**

During the period under review, the following changes occurred with respect to the key managerial personnel of the Company.

Sl No.	Name	Designation	Change
1.	George Muthoot Jacob	Whole-time Director	Resigned with effect from October 08, 2024
2.	Manoj Jacob	Whole-time Director	Appointed with effect from November 12, 2024

**18. WOMAN DIRECTOR**

Your Company has Mrs. Anna Alexander, as Woman Director on the Board of the Company and she is a Non-Executive, Non-Independent Director.

**19. DECLARATION FROM INDEPENDENT DIRECTORS**

All the Independent Directors of the Company have given their declarations and confirmation that they fulfil the criteria of Independence as prescribed under Section 149(6) of the Act and have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant proficiency, expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management of the Company. A statement by the Whole time Director confirming receipt of this declaration from Independent Directors is annexed to this report as **Annexure I**.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs, Manesar ("IICA") and the said registration is renewed and active.

**20. MEETING OF THE BOARDS**

During the Financial Year 2024-25, your Board of Directors met four times on May 17, 2024, August 09, 2024, November 12, 2024 and February 10, 2025.

**21. COMMITTEES OF THE BOARD**

**1. Audit Committee**

The Audit Committee was constituted as per the Companies Act, 2013 after induction of independent directors. The members of the Audit Committee are Mr. Manoj Jacob (Whole Time Director), Mr. Kurian Chirathalattu George (Independent Director) and Mr. Thevalakkara Thomas Mathew (Independent Director).

**2. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted as per the Companies Act, 2013 and last reconstituted on November 12, 2024. The committee comprises of Mr. Thevalakkara Thomas Mathew (Independent Director), Mr. Kurian Chirathalattu George (Independent Director) and Mrs. Anna Alexander (Non-Executive Director).

**3. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was constituted as per the Companies Act, 2013 and last reconstituted on November 12, 2024. The Committee comprises of Mr. Kurian Chirathalattu George (Independent Director), Mr. Thevalakkara Thomas Mathew (Independent Director) and Mr. Manoj Jacob (Whole time Director).

**4. Asset Liability Management Committee**

The Asset Liability Management Committee was constituted as per RBI Directions and last reconstituted on November 12, 2024. The Committee comprises of Mrs. Anna Alexander (Non-Executive Director), Mr. Manoj Jacob (Whole Time Director) and Mr. G R Ragesh (Non-Executive Director).

**5. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was last reconstituted on November 12, 2024. The Committee comprises of Mr. Thevalakkara Thomas Mathew (Independent Director), Mr. Manoj Jacob (Whole time Director) and Mr. G R Ragesh (Non-Executive Director).

**6. Risk Management Committee**

The Risk Management Committee was last reconstituted on November 12, 2024. The Committee comprises of Mr. Kurian Chirathalattu George (Independent Director), Mr. Manoj Jacob (Whole-Time Director) and Mr. G R Ragesh (Non-Executive Director).

**7. IT Strategy Committee**

The IT Strategy Committee was constituted as per RBI Directions. The Committee was reconstituted on November 12, 2024. The Committee comprises of Mr. Thevalakkara Thomas Mathew (Independent Director), Mr. Manoj Jacob (Whole-time Director), Mr. G.R Ragesh (Non-Executive Director) and Mr. Aneesh C E (Chief Manager - IT).

**INDEPENDENT DIRECTORS' MEETING**

Pursuant to the Schedule IV of the Act, and Rules made thereunder, at least one meeting of Independent Directors of the Company shall be conducted without the presence of Non-Independent Directors and Management. It also provides that the Independent Directors shall review the performance of the Board/Chairperson/Non-executive Directors/Wholetime Directors which is required to be done at a separate Meeting of Independent Directors.

During the year, a meeting of Independent Directors was held on March 24, 2025 as required under the Act and in compliance with the requirements under Schedule IV of the Act and SEBI Listing Regulations and discussed and deliberated matters specified therein.

**22. CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) which was subsequently adopted by it and is being implemented by the Company.

The Policy of the Company is available on the website of the Company at <https://mvafll.com/public/uploads/downloads/CSR%20Policy.pdf>

The Annual Report on CSR activities, prepared in strict compliance with the Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, is appended to this report as **Annexure II**.

## **23. MANAGEMENT DISCUSSION AND ANALYSIS**

### **ECONOMIC OVERVIEW**

The global economy in FY 2025–26 is navigating through a period of moderate yet uneven growth, shaped by persistent geopolitical tensions, the gradual cooling of inflation, and diverging regional economic performances. While nations continue to recover from the pandemic's aftermath and the inflationary wave that followed, new uncertainties—ranging from rising conflicts, climate-linked disruptions, and a resurgence of trade protectionism—are reshaping the macroeconomic order.

India continues to remain the standout growth driver, with GDP expected at 6.4%–6.6% in FY25, powered by resilient domestic demand, infrastructure-led capital expenditure, steady policy environment, and sustained consumption growth. This sustained momentum provides a favourable backdrop for financial services, especially gold loans, where household demand for liquidity remains robust and culturally anchored.

Global inflation is moderating gradually but remains above pre-pandemic benchmarks, projected between 3.6% and 4.2% in 2025, aided by softening commodity and energy prices. Yet, real interest rates remain high, keeping financing conditions tight. For Non-Banking Financial Companies (NBFCs), including those engaged in gold finance, this environment brings both challenges and opportunities: higher funding costs and narrower credit access on one side, and rising demand for collateralized credit products such as gold loans on the other, as households and small businesses increasingly prefer secured lending amid uncertainty.

In parallel, the Reserve Bank of India (RBI) has initiated important regulatory changes for banks and NBFCs in the gold loan segment, aimed at strengthening transparency, harmonising lending practices, and ensuring prudent risk management. Key provisions include maintaining a Loan-to-Value (LTV) cap of 75% - 85% on the maturity loan value of consumption loans having bullet repayment terms, capping the tenor of bullet repayment loans at 12 months, mandating uniform valuation and assaying standards, introducing end-use monitoring and requiring enhanced disclosures on portfolio mix, auction practices, and loan renewals. These reforms, while tightening operational norms, are expected to reduce systemic risk, enhance customer confidence, and improve long-term portfolio stability. For MVFL, these changes present both a compliance challenge and an opportunity to differentiate through process discipline, technology-enabled monitoring, and transparent customer engagement.

At the same time, global trade dynamics are being reshaped by tariff shifts, particularly in the United States. Recent measures, including the withdrawal of duty-free thresholds for small-value imports and higher tariffs on categories such as textiles, gems, jewellery, and consumer

goods, are likely to impact India's export-oriented MSMEs. For many of these businesses, tighter export margins and delayed cash flows may translate into higher demand for short-tenor, collateral-backed credit such as gold loans to bridge working capital gaps. While this creates fresh lending opportunities, it also calls for careful monitoring of credit quality, especially for export-linked borrowers.

In summary, the global outlook for FY 2025–26 presents a picture of cautious optimism—stable yet subdued—with pronounced regional divergences. While advanced economies grapple with low growth and restrictive monetary policies, emerging markets—led by India—remain resilient and well-positioned to attract capital flows and credit demand. For institutions like MVFL, navigating RBI's evolving gold loan framework, aligning with enhanced compliance standards, and proactively addressing tariff-induced risks for MSME borrowers will be critical. Agility, digital adoption, and a customer-centric approach will enable MVFL to not only withstand these external pressures but also leverage them as opportunities for sustainable growth.

### **INDIAN ECONOMY**

India continues to be a bright spot in the global economic landscape, retaining its position as the fastest-growing major economy. Despite global headwinds, India recorded a real GDP growth of approximately 6.5% in FY 2024–25, with the Reserve Bank of India (RBI) projecting a similar pace for FY 2025–26. This resilience underscores the strength of India's internal fundamentals, supported by robust domestic consumption, government-led infrastructure investments, digitally enabled services, and a resilient financial sector. This momentum is anchored by macroeconomic stability, favorable demographics, a rising middle class, and ongoing structural reforms. While the pace moderated slightly from the 7.2% growth in FY 2023–24—owing largely to a high base effect and external challenges such as geopolitical uncertainties, subdued global trade, and elevated global interest rates—India remains firmly positioned as the world's fastest-growing large economy.

### **Growth Drivers and Domestic Momentum**

India's growth story is increasingly domestically driven. Robust household consumption, a rebound in rural demand, and easing inflation have strengthened consumer confidence. Private capital expenditure is gaining traction, with Q4 FY 2024–25 GDP recording a 7.4% expansion, reflecting renewed investment momentum.

Fiscal consolidation is also progressing steadily. The fiscal deficit narrowed to 4.8% of GDP in FY 2024–25, with the government reaffirming its commitment to bring this down further to 4.4–4.5% by FY 2025–26, consistent with its medium-term target of 4.5% by FY 2025–26. Strong GST collections, buoyant direct taxes, and disinvestment efforts are supporting fiscal resilience.

India's external position remains stable. Exports of goods and services rose by 5.5% (≈ USD 821 billion) in FY 2024–25, helping to temper the current account deficit, which is projected at a manageable 1.5%–2.0% of GDP. Service exports and inward remittances continue to provide a

significant cushion. Meanwhile, India's foreign exchange reserves remain robust at over USD 645 billion, serving as a buffer against external volatility.

### **Monetary & Inflation Landscape**

The RBI has balanced its monetary stance with prudence and flexibility. Following a period of tightening, the repo rate was maintained at 5.5% (since June 2025) with a neutral policy stance, signalling stability. Inflationary pressures have eased significantly, with CPI inflation falling to 2.1% in June 2025, its lowest in years, largely due to softer food prices. Core inflation has also remained well-anchored.

This disinflationary trend provides scope for the RBI to maintain an accommodative outlook in support of growth, while preserving financial stability.

### **Structural Strengths and Policy Support**

India continues to attract steady Foreign Direct Investment (FDI), particularly in renewable energy, manufacturing under the Production-Linked Incentive (PLI) schemes, and digital infrastructure. Platforms such as UPI, Aadhaar, ONDC, and DigiLocker are reshaping financial access, payments, and service delivery, driving formalization and financial inclusion.

The labour market is showing signs of improvement, with formal job creation picking up, as evidenced by higher EPFO and ESIC enrolments. Initiatives like Skill India and Digital India are further strengthening the workforce, though increasing rural female participation remains an area for policy focus.

### **Global Risks and US Tariff Headwinds**

Global uncertainties—particularly U.S. tariff hikes (up to 50%) on select sectors—pose challenges for India's exporters. However, the impact on overall growth remains limited, as strong domestic demand and structural reforms such as GST rationalization continue to offset external pressures.

India's diversified services base, steady remittance inflows, and growing self-reliance in energy and manufacturing are key buffers against these risks.

### **Opportunities for Growth and Expansion**

The current macroeconomic landscape creates unique opportunities for financial services, particularly in the gold loan sector:

1. **South India First:** With deep cultural affinity for gold and significant household holdings, South India remains the largest and most mature market. Expanding further into semi-urban and rural areas across Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana offer immediate scope.
2. **Leveraging Group Legacy:** The strong foundation built by Muthoot Finance, the group's flagship, provides credibility and trust, enabling accelerated entry into newer geographies.



3. **Pan-India Expansion (Phased):** Over the medium term, regions in northern, western, and eastern India offer untapped potential, with expansion contingent upon RBI approvals and regulatory clarity.
4. **Digital-Driven Penetration:** Growing adoption of digital platforms enhances opportunities to reach SMEs, self-employed borrowers, and underbanked populations, making gold loans more accessible.
5. **Policy Tailwinds:** With the RBI's focus on secured lending, financial inclusion, and a supportive monetary stance, gold loan providers are well-positioned to expand responsibly.

#### **Summary Table: Key Economic Indicators**

Indicator	FY 2024–25 (Actual)	FY 2025–26 (Projected)
GDP Growth	~6.5%	~6.5% (RBI) / ~6.7% (ADB)
Repo Rate	5.5% (since June 2025)	Held steady, neutral stance
CPI Inflation (June 2025)	~2.1%	Inflation expected to stay low
Fiscal Deficit	~4.8% of GDP	~4.4–4.5% of GDP
Exports (Goods & Services)	+5.5% (~USD 821B)	Continued resilience expected
Forex Reserves	> USD 645B	Strong buffer maintained
Risks	U.S. tariffs, global trade slowdown	Mitigated by reforms & domestic demand

#### **OUTLOOK FOR THE INDUSTRY**

The Non-Banking Financial Company (NBFC) sector is expected to sustain its growth momentum in FY 2025–26, strengthening its role in expanding credit access across India, particularly in semi-urban, rural, and underserved markets. With the Indian economy projected to grow by 6.4%–6.6%, the sector remains well placed to benefit from resilient domestic consumption, growing demand for formal credit, and the ongoing digital transformation of the financial services ecosystem.

Despite global headwinds and evolving domestic regulations, NBFCs are projected to record credit growth in the range of 13%–15% during the year. This is being driven by increasing household consumption, MSME funding requirements, and deeper penetration of retail lending. Government-led and private-sector financial inclusion initiatives, alongside improved technology adoption, are supporting this expansion.

#### **Key Growth Drivers**

- **Retail Credit Expansion:** Demand for personal loans, housing finance, consumer durables, and gold-backed credit remains strong, particularly in Tier-2 to Tier-4 locations, where formal banking access is limited but aspirations are rising.

- **Digital Lending Ecosystems:** NBFCs are increasingly leveraging AI/ML-based underwriting, digital KYC/e-KYC, and account aggregator frameworks to reduce turnaround time and expand reach. Collaborations with fintechs and Direct Selling Agents (DSAs) are enabling wider distribution at lower costs.
- **Operational Resilience:** Many NBFCs have strengthened asset-liability management (ALM), improved provisioning standards, and introduced robust stress-testing mechanisms. Enhanced collection efficiency, coupled with data-driven customer analytics, has contributed to portfolio stability.

### **Regulatory Risk Landscape**

The RBI's Scale-Based Regulatory (SBR) Framework continues to shape the governance and compliance framework for NBFCs, aligning them more closely with banks. The regulatory thrust in FY 2025–26 remains focused on:

- Strengthening capital adequacy (CRAR) and liquidity coverage ratios,
- Implementing early-warning systems to track asset quality, and
- Exercising caution on unsecured retail exposure and risk-sensitive borrower segments.
- Close monitoring of Operational Risks & Fraud risk management.

Asset quality across the sector has stabilized post-pandemic, with Gross and Net NPAs contained, aided by improved underwriting standards and strong recovery infrastructure. Larger, well-capitalized NBFCs continue to enjoy access to diverse funding channels such as bank borrowings, capital markets, securitization, and ECBs, while smaller NBFCs face tighter liquidity conditions.

### **Sectoral Outlook**

The NBFC sector is projected to remain resilient and growth-focused in FY 2025–26, supported by India's robust economic fundamentals, expanding credit demand, and rapid adoption of digital financial solutions. However, the operating environment will require NBFCs to remain agile in managing funding risks, regulatory compliance, and governance standards. Players that can balance growth with risk discipline, embrace technology, and strengthen customer trust will be best positioned to thrive in this evolving landscape.

## **OPPORTUNITIES AND THREATS AND FUTURE OUTLOOK**

### **Opportunities**

The NBFC sector in India stands at an inflection point, supported by robust macroeconomic fundamentals, progressive regulation, and expanding access to formal credit. FY 2025–26 is expected to provide a favourable environment for growth across multiple dimensions.

A major growth lever is the rising demand for credit from Tier 2, Tier 3, and rural markets, where banking penetration remains comparatively low. With rising disposable incomes and evolving consumer aspirations, NBFCs are well-positioned to drive financial inclusion through products such as two-wheeler loans, gold loans, affordable housing finance, and consumer durables financing. Similarly, MSMEs—contributing nearly 30% to India's GDP—depend

significantly on NBFCs for working capital and term finance, owing to their speed, flexibility, and localized presence.

Digitization remains a game-changer. Adoption of AI/ML-based credit underwriting, e-KYC, predictive analytics, and automated collections is enabling NBFCs to improve efficiency, minimize turnaround time, and enhance risk evaluation. Strategic collaborations with fintechs, neo-banks, and digital marketplaces are further helping expand reach and reduce the cost-to-serve, particularly for younger, tech-savvy borrowers.

The co-lending model with banks has emerged as another opportunity. By combining banks' low-cost funds with NBFCs' origination and servicing strengths, this framework is gaining traction in retail and MSME segments. Additionally, securitization and direct assignment transactions continue to provide much-needed liquidity and balance sheet flexibility, especially for vehicle, housing, and consumer loan portfolios.

Government policies are also providing tailwinds. Initiatives such as credit guarantee schemes for MSMEs, priority sector lending (PSL) incentives, and financial inclusion drives are expanding the operating canvas for NBFCs. Moreover, the rising focus on green finance—including electric vehicle (EV) financing, rooftop solar lending, and ESG-linked financial products—creates opportunities for NBFCs to diversify portfolios and align with India's sustainability goals.

### **Threats**

While the growth outlook is encouraging, NBFCs face several structural and emerging risks in FY 2025–26.

The foremost challenge is the increasing regulatory rigor under the Scale-Based Regulatory (SBR) framework. Requirements around higher capital adequacy, liquidity buffers, governance standards, and risk-based supervision are strengthening sectoral resilience but also raising compliance costs and operational complexity, particularly for mid-sized and smaller NBFCs.

Funding constraints remain a critical concern. Larger, well-rated NBFCs continue to access bank funding and capital markets with relative ease, while smaller players often face liquidity tightness and higher borrowing costs. With interest rates still elevated, preserving net interest margins (NIMs) without compromising asset quality demands stronger asset-liability management (ALM) and diversified funding strategies.

Asset quality risks persist, especially in unsecured retail, microfinance, and MSME exposures. Although GNPA ratios have moderated since the pandemic, factors such as rural distress, weather-related shocks, and inflationary pressures could trigger localized stress. The RBI's close monitoring of unsecured personal loans and high-risk borrower categories is likely to temper aggressive growth strategies in such segments.

At the same time, rapid digitization exposes NBFCs to rising cybersecurity and operational risks. Data breaches, frauds, and IT disruptions, coupled with evolving data protection regulations, are necessitating significant investments in cyber resilience, IT governance, and vendor risk management.

Competitive intensity in the lending space is also escalating. Traditional banks are expanding deeper into retail and MSME lending, fintechs are leveraging technology-driven distribution,

and global BigTech players are entering consumer finance with aggressive pricing and bundled services. This convergence is expected to heighten pressure on margins, increase customer acquisition costs, and potentially erode market share for smaller or less agile NBFCs.

### **Outlook**

Looking ahead, the NBFC sector is expected to maintain its position as a key pillar of India's credit ecosystem. Credit demand from households and MSMEs, coupled with technology-driven innovations, will underpin growth. At the same time, the sector will operate in a more regulated and competitive environment, demanding stronger governance, sharper risk management, and scalable technology platforms.

**Gold Loan Outlook:** Gold loans will continue to remain a resilient and fast-growing product segment for NBFCs, supported by strong cultural acceptance, ease of access, and the rising need for short tenor working capital finance. Demand is expected to increase from both households' seeking liquidity and MSMEs impacted by trade uncertainties and input cost pressures. With the RBI maintaining a 75% - 85% LTV cap and stricter norms on bullet repayment structures, gold loan players are likely to focus on standardized valuation, improved collection efficiency, and digital integration (such as eKYC, online repayment, and AI-driven underwriting) to enhance customer trust and operational efficiency. Over the medium term, gold loan penetration in Tier 3–4 and rural markets is projected to rise significantly, positioning it as a stable, countercyclical product within NBFC portfolios.

NBFCs that successfully balance growth with prudence—by diversifying funding, adopting digital-first models, investing in cyber resilience, and aligning products with emerging priorities such as ESG and green finance—will be best placed to drive sustainable expansion.

Overall, FY 2025–26 presents a dual narrative: significant opportunities for expansion and innovation, alongside heightened regulatory and operational challenges. The sector's ability to adapt, collaborate, and innovate will determine its long-term trajectory in India's evolving financial services landscape.

## **24. HUMAN RESOURCES**

At your Company, we firmly believe that our people are our most valuable strength. During the financial year 2024–25, our Human Resources (HR) strategy remained focused on building a resilient, future-ready workforce aligned with our long-term business goals. We continued to nurture a culture of high performance, promote diversity and inclusion, and prioritize employee well-being.

### **Talent Development and Capacity Building**

In response to the evolving demands of the NBFC sector, we emphasized continuous learning and professional development across all levels of the organization. Structured training programs, leadership development initiatives, and digital learning platforms were introduced to strengthen technical, managerial, and behavioural competencies. The best HR practices of the Muthoot Group, along with the latest industry HR initiatives, were adopted to enhance employee engagement, encourage collaboration, and build skills. Several initiatives were also undertaken to boost employee confidence and morale.

### **Employee Engagement and Work Culture**

MVFL is committed to creating an environment of openness, collaboration, and accountability. Throughout the year, we organized various engagement initiatives, including town halls, recognition programs, and employee feedback sessions. These initiatives contributed to improved morale, stronger team alignment, and deeper commitment to the company's vision and values.

#### **Diversity, Equity, and Inclusion (DEI)**

We view diversity and inclusion as essential drivers of organizational strength. Our hiring practices and workplace policies reflect our commitment to equal opportunity and gender balance. As of 30th June 2025, women constituted 46% of our workforce. We continue to build an inclusive culture that respects individuality and nurtures a sense of belonging for all employees.

#### **Health, Safety, and Well-being**

The health and overall well-being of our workforce remained a key area of focus. We provided access to wellness initiatives, counselling support, and other employee assistance programs to ensure holistic care. In addition, we offered flexible work arrangements during exigencies, enabling employees to manage personal and professional commitments effectively. All office locations continued to adhere to stringent safety protocols, ensuring a secure and supportive work environment.

#### **Workforce Overview**

As of 30th June 2025, MVFL had a total workforce of 378 employees, representing a balanced mix of experienced professionals and young talent. This blend has strengthened our ability to remain agile, innovative, and competitive in a dynamic financial services landscape.

#### **Looking Ahead**

We remain committed to strengthening our human capital by attracting, developing, and retaining the best talent in the industry. Our HR practices will continue to evolve in line with business priorities, supporting sustainable growth and creating long-term value for our stakeholders.

## **25. RISK MANAGEMENT**

The Company's principal financial liabilities comprise of customer deposits, borrowings (including debt securities) and trade & other payables. These liabilities are primarily undertaken to finance and support the Company's lending operations. The principal financial assets include loans and advances, investments, cash and cash equivalents, fixed deposits with banks, and other receivables arising directly from the Company's operations.

As a NBFC, Muthoot Vehicle & Asset Finance Ltd is exposed to various risks associated with its lending operations and the prevailing economic and regulatory environment. The core objective of the Company's risk management framework is to identify, measure, monitor, and mitigate these risks through well-defined policies, processes, and controls in line with the Reserve Bank of India (RBI) guidelines and industry best practices.

The Risk Management Committee of the Board, constituted in accordance with RBI regulations, has overall responsibility for overseeing the implementation and effectiveness of the Risk Management Policy. The Committee meets periodically (normally once in a quarter) to review the Company's risk profile, emerging risks, and the adequacy of mitigation measures. The Risk Management Department submits detailed report to the Committee, highlighting the key risk indicators, portfolio trends, and compliance status.

The Committee's directions are communicated to relevant business units, including the Credit Department, for implementation. Continuous credit monitoring on behaviour of accounts, periodic stress testing, and regular policy reviews are carried out to ensure that the Company's risk management practices remain robust, responsive, and aligned with evolving market and regulatory requirements.

### **Risk Management Policy – Credit Department Responsibilities**

The Credit Department is responsible for ensuring robust risk identification, assessment, and mitigation across all lending operations, including gold loans, vehicle loans, corporate loans, and other loan products. Its core functions involve identifying risks associated with these activities, assessing their potential business impact, and measuring such risks to recommend effective mitigation strategies in line with the Company's risk appetite and regulatory requirements. While the Credit Department provides overall risk oversight, day-to-day risk management responsibilities lie with the Heads of the respective business units. The Company's major risk exposures encompass credit risk, liquidity risk, market risk, price risk, interest rate risk, prepayment risk, and operational and business risk.

#### **1. Credit Risk**

Credit risk arises from the potential loss that may occur if a borrower or counterparty fails to meet their contractual obligation to repay a debt as agreed, commonly referred to as a risk of default. Such defaults, along with inadequate collateral, can result in loan losses for the Company. The Company's risk management framework for credit risk is built around three core elements: defining the risk appetite, establishing credit policy guidelines for prudent risk acquisition, and implementing robust systems for measuring and monitoring risk.

### **Risk Management Framework – Three Core Elements:**

#### **A. Defining the Risk Appetite**

Credit risk represents the possibility of borrower default or insufficient collateral coverage, and its management within the Company is anchored on three core elements. First, Risk Appetite is defined by permissible exposure limits per borrower, branch, and product; customer risk profile standards based on credit history, income, collateral type, and KYC/AML compliance; delegated loan sanctioning powers aligned to ticket size, asset type, and risk level; and a risk-based pricing model linking lending rates and fees to borrower risk and collateral quality. Second, Risk Acquisition follows the Company's Credit Policy, which prescribes appraisal standards for gold loans (RBI-compliant purity and valuation), vehicle loans (ownership verification, residual value assessment, and insurance compliance), and deposit products

(strict KYC norms and acceptance limits). Third, Measuring and Monitoring Risk involves quarterly Portfolio Review Committee meetings to assess portfolio composition, collection efficiency, early delinquency cases, and stress test results; and robust collateral management, including secure storage and periodic LTV reviews for gold loans, ensuring hypothecation for vehicle loans.

#### **B. Policy Guidelines for Risk Acquisition:**

The Company's Credit Policy outlines the appraisal methodology for each business line—gold loans are valued as per RBI norms (average of last 30 days' closing price of 22-carat gold), with purity verified by approved methods and strict adherence to LTV limits; vehicle loans require ownership verification, residual value assessment, and insurance compliance; and deposit products mandate KYC verification, customer profiling, and compliance with deposit acceptance limits. The Credit Policy is reviewed periodically considering portfolio performance, delinquency/NPA trends, collection feedback, and market conditions, with deviations allowed only upon approval from authorized officials under the Delegation of Powers.

#### **C. Measuring and Monitoring Risk:**

Risk measurement and monitoring are carried out through portfolio analytics, default analytics, and collateral management. A Portfolio Review Committee—comprising the Heads of Credit, Collections, Sales (Gold & Vehicle Loans), and Operations—meets quarterly to assess portfolio composition, collection efficiency, overdue levels, early warning signals, and stress testing results against gold price fluctuations and vehicle value depreciation, with findings reported to the CEO and the Risk Management Committee of the Board. Default analytics cover early delinquency cases, non-starter loans, fraud alerts, and systemic gaps identified through root cause analysis, while Probability of Default (PD) is evaluated for each product line, geography, and customer segment to guide lending decisions. Collateral management for gold loans includes rigorous valuation, purity testing, secure storage, insurance, and periodic LTV reviews, whereas vehicle loans are monitored for asset condition, hypothecation status, and timely insurance renewal.

#### **2. Liquidity Risk:**

Liquidity risk refers to the possibility of the Company being unable to raise funds at an optimal cost to meet operational, lending, and debt repayment requirements. Oversight of liquidity management rests with the Board through the ALM Committee, which reviews the Company's liquidity position at least twice a year. Day-to-day monitoring is undertaken by the Asset-Liability Management Committee (ALCO), comprising senior management including the CEO, which regularly reviews cash flows, maturity mismatches, and funding diversification. For deposit-taking operations, a key control measure is ensuring that the maturities of deposits are appropriately matched with loan disbursements.

#### **3. Market Risk**

Market risk arises from fluctuations in gold prices, interest rates, and broader economic conditions that can affect the value of financial instruments and collateral. The Company



mitigates this risk by maintaining conservative Loan-to-Value (LTV) ratios in gold loans, conducting stress tests on the loan portfolio to assess the impact of adverse movements in gold prices and vehicle market values, and diversifying both its product mix and geographic exposure

#### **4. Interest Rate Risk**

Interest rate risk arises from mismatches between the Company's fixed-rate lending products and the cost of borrowings, some of which are on floating rates. To mitigate this, the Company maintains a balanced mix of short-term and long-term funding, conducts regular interest rate sensitivity analyses under the supervision of the Asset-Liability Management Committee (ALCO), and adopts competitive borrowing strategies with diversified lender relationships.

#### **5. Risk-Based Pricing**

The Company follows a rate card system where interest rates are set within a benchmark range and vary by collateral type, Loan-to-Value (LTV) ratio, and customer profile. Concessions may be provided for competitive positioning but require approvals in line with the Delegation of Powers, and any deviation from policy is subject to risk-adjusted pricing.

#### **6. Prepayment Risk**

Prepayment risk occurs when customers repay loans earlier than expected, thereby impacting interest income. This is particularly relevant for gold loans when gold prices rise and for vehicle loans when refinancing options are available. The Company incorporates prepayment trends into its liquidity and funding strategies to manage the associated impact.

#### **7. Operational and Business Risk**

Operational and business risk refers to potential losses arising from process failures, human error, fraud, or external events. The Company manages this risk through robust controls including segregation of duties, clear approval hierarchies, restricted access to cash, collateral, and sensitive systems, as well as surprise audits, branch inspections, and reconciliation checks. Additionally, continuous staff training is provided on credit appraisal, KYC/AML compliance, and fraud prevention to strengthen operational resilience.

Muthoot Vehicle & Asset Finance Ltd has a robust risk management framework to safeguard financial stability, ensure sustainable growth, and comply with RBI regulations. By identifying, assessing, and mitigating key risks—credit, liquidity, market, interest rate, prepayment, and operational—the Company maintains resilience across market conditions. Oversight by the Risk Management Committee, strict policy adherence, portfolio monitoring, and continuous staff training enable swift responses to emerging threats while leveraging opportunities. This integrated approach protects stakeholders and strengthens the Company's reputation as a prudent, well-governed NBFC.

## **26. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THE YEAR**



As on March 31, 2025, the Company does not have any subsidiaries, joint venture or associate companies in existence.

**27. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.

**28. CREDIT RATING**

The Company has debt credit ratings as below:

Sl No.	Rating Agency	Instruments	Ratings as on 31.03.2025
1.	CRISIL Ratings	Bank Loans -Long Term	CRISIL A/Stable
2.	CRISIL Ratings	Fixed Deposits	CRISIL A/Stable
3.	CRISIL Ratings	Non-Convertible Debentures	CRISIL A/Stable

**29. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

**I. Conservation of energy**

Your Company being a Non-Banking Finance Company, has no activities involving conservation of energy. However, your Company has taken adequate measures for conservation of energy and usage of alternative source of energy, wherever required.

**II. Technology Absorption**

At your Company, we continue to recognize Information Technology (IT) as a critical enabler for operational efficiency, customer service, and business scalability. During FY 2024–25, the Company further strengthened its IT infrastructure and digital capabilities with a focus on process automation, data security, and customer-centric solutions.

Key initiatives undertaken during the year include:

- Core System Upgradation: Enhanced core business applications to improve transaction processing speed, system stability, and compliance reporting.
- Automation and Digitization: Expanded the use of digital tools for customer onboarding, document management, and workflow approvals, reducing manual interventions and turnaround times.
- Cybersecurity and Data Protection: Implemented advanced security protocols, regular vulnerability assessments, and employee awareness programs to safeguard customer data and ensure regulatory compliance.

The Company remains committed to leveraging technology for sustainable growth, enhanced customer experience, and operational excellence. Looking ahead, MVFL will continue to invest in digital innovation, emerging technologies, and process automation to support its long-term strategic objectives.

#### **FIP Integration**

Financial information provider a Financial Information Provider (FIP) is an entity that holds and manages customer financial data and provides it to Financial Information Users (FIUs) through an Account Aggregator.

#### **Implemented Aml Verification In Customer Onboarding:**

Anti-Money Laundering (AML) verification is a critical component of the customer onboarding process, designed to detect and prevent financial crimes such as money laundering, terrorism financing, and fraud. Integrating AML validations ensures regulatory compliance and protects the integrity of financial institutions.

#### **Daily System-Generated NPA Report**

The Daily System-Generated Non-Performing Asset (NPA) Report is an automated output generated by the core system to monitor and track loan accounts that have crossed the threshold of overdue payments, as defined by regulatory norms.

### **III. Foreign Exchange earnings and outgo**

There were no foreign exchange earnings or outgo during the year under review.

#### **30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Your Company, being an NBFC registered with RBI and engaged in the business of giving loans in ordinary course of its business is exempt from complying with the provisions of Section 186 of the Act with respect to loans.

#### **31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Your Directors confirm that all contracts/arrangements/transactions entered into by the Company during the FY 2024-25 with related parties were in compliance with the provisions of the Companies Act, 2013. The Company had obtained prior approval of the Audit Committee for all the related party transactions during the FY 2024-25. Further, the Audit Committee had given prior omnibus approval for related party transactions that are foreseen and of repetitive in nature during the period under review and the required disclosures are made to the Committee on quarterly basis against the approval of the Committee.

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the year were on arm's length basis or were in ordinary course of business or with approval of the Audit Committee.

The Board has formulated a Policy on Related party transactions, which is approved by the Board of Directors. In the opinion of the Board, none of the transactions of the Company entered into with the related parties were in conflict with the interests of the Company. The

details of the related party transactions are disclosed in the notes on accounts, forming part of Financial Statements.

The disclosure with respect to such transactions are provided in **Annexure III - AOC 2** is attached to this report.

## **32. AUDITS**

### **1. Statutory Audit under Section 139**

In line with the RBI requirements, on the recommendation of the Audit Committee and the Board of Directors, shareholders of the Company, at the 32<sup>nd</sup> Annual General Meeting held on September 28, 2024, appointed M/s R.G.N Price & Co, Chartered Accountants (Firm Registration No: 002785S) as the Statutory Auditors to conduct audit of the financial statements of the Company for the year 2025, 2026 and 2027.

The Statutory Audit Report issued by the Statutory Auditors of the Company, on the financial statements of the Company for the year 2024-25 forms part of the Annual Report.

### **2. Secretarial Audit under Section 204**

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Caesar Pinto John & Associates LLP, Practising Company Secretaries, to undertake secretarial audit of the Company. A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this Report as **Annexure IV**.

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

### **3. Cost records and Cost Audit**

Maintenance of cost records and requirement of cost audit as prescribed under the provision of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

### **4. Reporting of frauds by Auditors**

The auditors, i.e., statutory auditors and secretarial auditor have not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3) (ca) of the Act.

### **5. Information Systems Audit**

As per the requirements of the Master Direction of the Information Technology Framework for the NBFC Sector, an Information Systems Audit was carried out for the Financial Year 2024-25 by Tuxcentrix Consultancy Private Limited.

## **33. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company has a well-structured Audit & Inspection department to perform timely and frequent internal audit to evaluate the adequacy of systems and procedures and also to evaluate the status of compliance to Company's guidelines and other statutory requirements. The department is manned by a team of 5 dedicated personnel who are constantly engaged in safeguarding your Company's assets, ensures the quality of assets financed and also evaluates the adequacy of risk management systems at its operating units. Internal Auditor of the Company directly reports to the Audit Committee of the Board.

Audit Committee of Board of Directors is apex Audit Authority of the Company. Under the present Audit Architecture, the Internal Audit Department reports to the Audit Committee regarding significant audit findings and also preventive and corrective measures to protect the interests of the Company. The Audit Committee undertakes an evaluation of the adequacy and effectiveness of internal control systems. It also oversees the implementation of audit recommendations, especially involving the risk management measures.

During the year under review there were no reportable material weaknesses in the systems or operations.

Over the years Company has evolved a robust, proper and adequate internal audit system in keeping with the size of the Company and its business model. Company has developed well documented internal audit and control system for meticulous compliance from all layers of the Company. Our internal controls are supplemented by an extensive programme of internal audits, reviews by the management, and documented policies, guidelines and procedures. The audit system also takes care to see that revenue leakages and losses to the Company are prevented, and our income streams are protected.

In addition to reviewing the internal control systems put in place by the Audit & Inspection Department, the Audit Committee also imparts guidance and crucial directions for upgradation of systems and controls on ongoing basis. At present the Audit system prevalent in the Company is completely autonomous function and built on best corporate governance framework.

**34. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

Your directors confirm that there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**35. ANNUAL RETURN**

Pursuant to Section 134(3) (a) and Section 92(3) of the Companies Act, 2013 read with the Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at [www.mvafll.com](http://www.mvafll.com)

**36. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

**I. Policy on appointment and remuneration of directors**

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

**Terms of reference of the Nomination and Remuneration Committee shall include the following:**

1. Identifying persons who are qualified to become Directors and who may be appointed as KMPs in accordance with criteria as laid down and recommend to Board their appointment and removal;
2. Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
3. Plan for the succession planning for directors in the course of its work, considering the challenges and opportunities faced by the Company, and what skills and expertise are therefore needed on the Board in the future;
4. Determine and agree with the Board the framework for broad policies on criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board, policies relating to remuneration for the Directors, Key Managerial Personnel and other employees;
5. Review the on-going appropriateness and relevance of the remuneration policy.
6. Formulate ESOP plans and decide on grant of stock options.

**II. Performance Evaluation of Board, Committees and Directors**

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Committees of the Board.

The Board performance was evaluated based on the feedback received from each Director about their views on the performance of the Board covering various aspects of their functioning. Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes,

information and functioning, Board culture and quality of relationship between the Board and the management etc.

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

A safe and respectful workplace is our priority. Your Company is committed to upholding the standards set by our POSH framework through robust training and a clear grievance process. Our Internal Committee, which operates in full accordance with the POSH Act, is ready to investigate any reported incidents. For the Financial year 2024-25, no formal reports of sexual harassment were made, and no complaints were pending at year-end on March 31, 2025.

**38. COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961**

Your Company demonstrates its commitment to the well-being of its women employees by complying with the provisions of the Maternity Benefit Act, 1961, and offering additional benefits as part of its employee welfare initiatives. This adherence reflects the company's core values, including sensitivity and integrity towards its workforce. The Company confirms adherence to applicable provisions of the Maternity Benefit Act, 1961, which include protection from dismissal or discharge during absence due to pregnancy or maternity. The Company recognises employees as key stakeholders, as outlined in its "Grievance Redressal Policy for Stakeholders."

The policy ensures that any employee-related grievances, including those concerning maternity benefits, are handled through an established redressal mechanism and emphasizes a fair, consistent, and rule-abiding process for grievance resolution, with an escalation matrix available to ensure timely and effective handling of all complaints.

**39. FAIR PRACTICE CODE**

The Company has in place, a Fair Practice Code approved by the Board, in compliance with the guidelines issued by the RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is available on the website of the Company. The FPC is also reviewed by the Board at frequent intervals to ensure its level of adequacy and appropriateness.

**40. PARTICULARS OF EMPLOYEES IN RECEIPT OF REMUNERATION ABOVE THE LIMITS AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

The various disclosures as per Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are applicable and annexed to this Report as **Annexure V**.

**41. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE, AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

No Independent Directors were appointed during the year under review. The Independent directors are selected as per the applicable provisions of the Companies Act, 2013, RBI

Directions. The integrity, expertise and experience of the independent Directors have been evaluated by the Nomination and Remuneration Committee and the Board of Directors at the time of appointment.

**42. VIGIL MECHANISM POLICY**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed in the Downloads section at the web link [https://mvafl.com/public/uploads/downloads/Whistleblower\\_Policy.pdf](https://mvafl.com/public/uploads/downloads/Whistleblower_Policy.pdf)

**43. CUSTOMER GRIEVANCE**

The Company has a dedicated Customer Grievance Cell for receiving and handling customer complaints/grievances and ensuring that the customers are treated fairly and without bias at all times. All issues raised by the customers are dealt with courtesy and redressed expeditiously.

**44. REGULATORY GUIDELINES**

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time.

**Disclosure pursuant to Part A of Schedule V of SEBI Listing Regulations**

Disclosure pursuant to Part A of Schedule V read with Regulation 34(3) and 53(f) of SEBI Listing Regulations is attached as **Annexure VI** of this report.

**45. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on the representations received from the operating management, and after due enquiry confirm that:-

- I. in the preparation of the annual accounts, the applicable Indian Accounting Standards have been followed along with proper explanation relating to material departures;
- II. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- III. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding

the assets of the Company and for preventing and detecting fraud and other irregularities;

- IV. they have prepared the annual accounts on a going concern basis;
- V. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- VI. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**46. OTHERS**

Your directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions/ events on these items during the year under review:

- 1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees Stock Option Schemes (ESOS) referred to in this Report.
- 3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013
- 4. No application was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year in respect of your Company.
- 5. There was no one time settlement of loan obtained from the Banks or Financial Institutions.
- 6. The Company, in the capacity of Financial Creditor, has not filed any application with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2024-25 for recovery of outstanding loans against any customer being Corporate Debtor.
- 7. There were no instances of any material frauds reported by the Statutory Auditors under section 143(12) of the Act.
- 8. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.

**47. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those



expressed in the statements, since various economic, legal, policy and regulatory factors may affect or influence the performance of the Company.

**48. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the commitment extended by the employees of the Company during the year. Further, the Directors also wish to place on record the support which the Company has received from its promoters, shareholders, bankers, business associates, vendors and customers of the Company.

We would like to assure you again that your company has put in place appropriate plan, policies and strategies to achieve growth with quality and continue your support, encouragement and faith to excel in our journey forward.

**On behalf of the Board of Directors**

Sd/-  
Manoj Jacob  
Whole Time Director  
(DIN: 00019016)

Sd/-  
G.R Ragesh  
Director  
(DIN: 01991210)

Place: Kochi

Date: July 24, 2025

**ANNEXURE I**

**DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE  
FROM ALL INDEPENDENT DIRECTORS**

I, Mr. Manoj Jacob, Whole-time Director of the Company do hereby confirm that the Company has received from all the independent directors namely Mr. Kurian Chirathalattu George and Mr. Thevalakkara Thomas Mathew, a certificate stating their independence as required under Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-  
Manoj Jacob  
Whole-time Director  
DIN: 00019016

Place: Kochi  
Date: July 24, 2025

## ANNEXURE II

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company

1. The Corporate Social Responsibility Policy (CSR Policy) is intended for providing a framework within which Muthoot Vehicle & Asset Finance Limited ("MVAFL" or the Company") follows its commitment to CSR.
2. The Company believes in positively impacting the environment and supporting the communities we operate in, focusing on sustainability of our programs and empowerment of our communities.
3. To strive for economic development that positively impacts society at large with minimal resource footprint. The Company desires to embrace responsibility for its actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and society.
4. The Board will have an oversight into the adherence to this Policy. The Corporate Social Responsibility Committee ("CSR Committee") of the Board, comprising a minimum of three Directors and at least one of whom will be an Independent Director of the Company, shall assist the Board in the overall governance of the Policy and the CSR Programmes pursuant thereto. The CSR Committee shall work under the superintendence and control of the Board.
5. The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The Details of CSR policy of the Company and CSR projects are available on website of the Company at <https://www.mvafl.com>

#### 2. Composition of CSR Committee:

Sl No.	Name of Director	Designation /Nature of Directorship	Number of Meetings of the Committee	
			Held	Attended
1.	T. Thomas Mathew	Chairman	1	1
3.	Ragesh G R	Member	1	1
4.	Manoj Jacob	Member	0	0

*\*Mr. George Alexander Muthoot resigned as member of the CSR Committee with effect from October 08, 2024 and Mr. Manoj Jacob was appointed as a member with effect from November 12, 2024.*

3. Weblink where composition of CSR Committee, CSR Policy and CSR Projects are disclosed on the website of the company

a) CSR Committee: [www.mvafl.com](http://www.mvafl.com)

b) CSR Policy: [www.mvafl.com](http://www.mvafl.com)

4. Details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: N.A

5. Details of the amount available for set off in pursuance of subrule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A

6. Average net profit of the Company as per Section 135 (5): Rs. 790.79 Lakhs

7. (a) Two percent of the average net profit of the Company as per Section 135 (5):  
Rs. 15.82 Lakhs

(b) Surplus arising out of the CSR projects or programmes of the previous financial year : NA

(c) Amount required to be set off for the financial year, if any : N.A

(d) Total CSR obligation for the financial year (7d=7a+7b+7c): Rs. 15.82 Lakhs

8(a).

Total amount spent for the financial year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NA	NA	NA	NA	Nil	NA

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation	
				State	District			Name	CSR Registration

						(Rs. in Lakhs)			Number
NA									

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (Rs. in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation	
				State	District			Name	CSR Registration Number
1	Education Help	Item No 2 – Promoting education	Yes	Kerala	All Kerala	1.82	No	Muthoot M George Foundation	CSR00008030
2	Medical Assistance	Item No 1 – Promoting Health care	Yes	Kerala	All Kerala	13.00	No	Muthoot M George Foundation	CSR00008030
3	Marriage Assistance	Item No 3 – Promoting general equity & empowering women	Yes	Kerala	All Kerala	1.00	No	Muthoot M George Foundation	CSR00008030
	Total					15.82			

**(d) Amount spent in Administrative Overheads : 0**

**(e) Amount spent on Impact Assessment, if applicable : 0**

**(f) Total amount spent for the financial year (8f=8b+8c+8d+8e) : 15.82 lakhs**

**(g) Excess amount for set off, if any : 0**

Sl. No	Particular	Amount (Rs in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0

(iv)	Surplus arising out of the CSR projects or programmes of the previous financial year (Rs. in Lakhs):	0
(v)	Amount required to be set off for the financial years [(iii)-(iv)]	0

**9. (a) Details of Unspent CSR Amount for the preceeding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6) (Rs in Lakhs)	Amount spent in the reporting Financial Year (Rs in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs in Lakhs)
				Name of the Fund	Amount (Rs in Lakhs)	Date of Transfer	
NA							

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA**

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):**

**(a) Date of creation or acquisition of the capital asset(s): NA**

**(b) Amount of CSR spent for creation or acquisition of capital asset (Rs. in Lakhs): NA**

**(c) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc. NA**

**(d) Details of the capital assets created or acquired (including complete address and location of the capital asset) : NA**

**11. Specify the reasons if the company has failed to spend two percent of the average net profit as per Section 135 (5): NA**

The Company has fully expended the CSR obligation of two percent of the average net profits for the financial year 2024-25

Sd/-

T Thomas Mathew  
Chairman of CSR Committee  
DIN : 08545597

Sd/-

Manoj Jacob  
Member of CSR Committee  
DIN : 00019016

**ANNEXURE- III**

**AOC – 2**

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

**1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**

**2. Details of material contracts or arrangement or transactions at arm's length basis: NIL**

Names of the related party and natures of relationship	Nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or agreements or transactions including the value, if any	Date of approval by the board, if any	Amount paid as advances, if any: (In Lakhs)
			NIL			

**On behalf of the Board of Directors**

Sd/-  
Manoj Jacob  
Whole Time Director  
(DIN: 00019016)

Sd/-  
G.R Ragesh  
Director  
(DIN: 01991210)

Place: Kochi  
Date: July 24, 2025



**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2025**

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

To  
The Members  
**Muthoot Vehicle & Asset Finance Limited**  
Muthoot Chambers, Opp Saritha Theatre  
Banerji Road, Cochin  
Ernakulam, Kerala - 682018

We, CaesarPintoJohn & Associates LLP, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Muthoot Vehicle & Asset Finance Limited [CIN: U65910KL1992PLC006544]** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Muthoot Vehicle & Asset Finance Limited** ("the Company") for the financial year ended on 31.03.2025 according to the provisions of:

1. The Companies Act, 2013 and the Rules made there under;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
3. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable;
4. The following Regulation and Guideline prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  1. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  3. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  4. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  5. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
6. As informed to us, the following Regulations and Guidelines prescribed under the Reserve Bank of India Act, 1934 applicable to Non-Banking Financial Companies (Deposit Taking) are specifically applicable to the Company:
  1. Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
  2. Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
  3. Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
  4. Guidelines for Asset Liability Management (ALM) system in Non-Banking Financial Companies;

5. Frauds- Future Approach towards monitoring of Frauds in Non-Banking Financial Companies and Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
6. Know Your Customer (KYC) Guidelines- Anti Money Laundering Standards and Know Your Customer (KYC) Direction, 2016;
7. Non-Banking Financial Companies Corporate Governance (Reserve Bank) Directions, 2015;
8. Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
9. Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
10. Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010;
11. Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs Guidelines
12. Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs Guidelines
13. Disclosures in Financial Statements- Notes to Accounts of NBFCs Guidelines
14. Loans and Advances – Regulatory Restrictions – NBFCs Guidelines
15. The Prevention of Money Laundering Act, 2002 and the Regulations and bye laws framed thereunder.

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

1. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Limited for the listing of Non-convertible Debentures.

During the period under review, the Company has complied and generally observed the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that: -**

The Board of Directors of the Company is duly constituted with proper balance of Executive directors, Non- executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and at shorter notice in certain cases in accordance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the reporting period the following non-convertible debentures have been redeemed:

Sl. No.	ISIN	No. of Securities	Face Value	Date of Redemption
1	INE00XE07119	294823.00	1000	17.03.2025
2	INE00XE07143	262134.00	1000	17.03.2025
3	INE00XE07176	83144.00	1000	17.03.2025

**We further report that** during the audit period there were no instances of:

1. Right / Preferential issue of shares / debentures / sweat equity;
2. Redemption / buy-back of securities other than mentioned above;
3. Major decisions taken by the members in pursuance to Section 180 of the Act;
4. Merger / amalgamation / reconstruction etc.;
5. Foreign technical collaborations.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

**For Caesar Pinto John**  
**& Associates LLP**  
**Company Secretaries**

**Nikhil George Pinto**  
**Partner**  
**M. No. F11074**  
**CP. No. 16059**

**Peer Review Certificate No. 2148/2022**  
**Kochi**  
**22.07.2025**  
**UDIN:**

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE**

To  
The Members  
**Muthoot Vehicle & Asset Finance Limited**  
Muthoot Chambers, Opp Saritha Theatre  
Banerji Road, Cochin  
Ernakulam, Kerala – 682018

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc., wherever required.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31<sup>st</sup> March 2025 but before issue of the Report.

7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

**For (Caesar Pinto) John**  
**& Associates LLP**  
**Company Secretaries**

**Nikhil George Pinto**  
**Partner**  
**M. No. F11074**  
**CP. No. 16059**

**Peer Review Certificate No. 2148/2022**  
**Kochi**  
**22.07.2025**  
**UDIN:**

## ANNEXURE V

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- I. the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2024-25 ; the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2024-25;

Sl. No.	Name of Director and KMP	Designation	% increase in remuneration during year 2024-25	Ratio of Remuneration of each Director to median remuneration of employees of the company
1	MANOJ JACOB	Whole Time Director	0	1.47:1
2	ANNA ALEXANDER	Director	-21.05%	0.55:1
3	KURIAN CHIRATHALATTU GEORGE	Independent Director	7.14%	1.65:1
4	THEVALAKKARA THOMAS MATHEW	Independent Director	6.98%	1.69:1
5	GOVINDAKURUP RAVEENDRAKURUPRAGESH	Director	0.00%	5.5:1
6	PHILIP PUTHENPURACKAL THOMAS	Chief Executive Officer	18.41%	8.93:1
7	GEENA THOMAS	Chief Financial Officer	18.08%	5.15:1
8	NRITHYA ANAND	Company Secretary	403.10%	2.5:1

- II. The percentage increase in the median remuneration of employees in the financial year 2024-25: 21.36%
- III. The number of permanent employees on the rolls of company as on March 31, 2025: 280
- IV. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.



The average percentile in the salaries of employees other than the managerial personnel increased by 8.84%. The total managerial remuneration for the Financial Year 2024-25 was Rs. 74.84 Lakhs as against Rs. 59.23 Lakhs during the previous year, an increase of 26.34% .

V. The remuneration paid is as per the remuneration policy of the Company.

**For and On Behalf of the Board of Directors**

Sd/-

Manoj Jacob  
Whole Time Director  
(DIN: 00019016)

Sd/-

G.R Ragesh  
Director  
(DIN: 01991210)

Place: Kochi  
Date: July 24, 2025

**ANNEXURE VI**

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

(Rs. In lakhs)

Sl. No.	Loans and Advances in the nature of loans	Amount Outstanding as at March 31, 2025
(A)	To Subsidiaries	-
(B)	To Associates	-
(C)	To Firms/Companies in which Directors are Interested (other than (A) and (B) above)	178.77
(D)	Investments by the loanee in the shares of Parent Company and Subsidiary Company when the Company has made a loan or advance in the nature of loan	-

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity:

**Related Party transactions during the year:**

(Rs. In lakhs)

Particulars	George Alexander Muthoot	George Thomas Muthoot	George Jacob Muthoot
	Year Ended March 31, 2025	Year Ended March 31, 2025	Year Ended March 31, 2025
Directors Remuneration	0.60	-	-
Purchase of Listed NCDs of the Company	-	-	-
Interest paid on NCD	-	-	-

**Balance outstanding as at the year end: Asset/ (Liability)**

Particulars	George Alexander Muthoot	George Thomas Muthoot	George Jacob Muthoot
	As at March 31, 2025	As at March 31, 2025	As at March 31, 2025
NCDs - Listed	-	-	-

Sd/-  
Manoj Jacob  
Whole Time Director  
(DIN: 00019016)

Sd/-  
G.R Ragesh  
Director  
(DIN: 01991210)

Place: Kochi  
Date: July 24, 2025

## ANNEXURE VII

### CORPORATE GOVERNANCE REPORT

#### Company's Philosophy on Corporate Governance

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and considering all stakeholders' interest while conducting business.

This report details the corporate governance policies and practices of Muthoot Vehicle & Asset Finance Limited for FY 2025 and outlines compliance with requirements of the Companies Act, 2013, as amended, (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'), and the Regulations of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Regulations') as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

For us, corporate governance is a reflection of principles rooted in our values and policies and also embedded in our day-to-day business practices. Ethical dealings, transparency, fairness, disclosure, and accountability are the main thrusts of the working of the Company. The company believes in sustainable corporate growth that emanates from the top management down through the organisation to the various stakeholders which is reflected in its sound financial system and enhanced market reputation.

### Composition of the Board

The names, categories, and other details of Directors as of March 31, 2025, are as follows:

SI No	Name of Director	Director since	Capacity	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
				Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1.	MANOJ JACOB * (DIN: 00019016)	12/11/2024	Executive, Non-Independent	2	2	20	4,00,000	90,000	-	Shares: Nil NCDs:
2.	ANNA ALEXANDER (DIN: 00017147)	01/04/2005	Non-Executive, Non-Independent (Promoter Group)	4	3	16	-	1,50,000	-	Shares: 11,52,500 NCDs:
3.	GOVINDAKURUP RAVEENDRAKURUP RAGESH (DIN: 01991210)	11/08/2021	Non-Executive, Non-Independent	4	4	2	-	2,50,000	12,50,000	Shares: Nil NCDs:
4.	KURIAN CHIRATHALATU GEORGE (DIN: 00427344)	06/08/2019	Non-Executive, Independent	4	4	5	-	4,50,000	-	Shares: Nil NCDs:
5.	THEVALAKKARA THOMAS MATHEW (DIN: 08545597)	06/08/2019	Non-Executive, Independent	4	4	0	-	4,60,000	-	Shares: Nil NCDs:

*\*Mr. Manoj Jacob was appointed as the Whole-time Director on the Board for a term of 5 years commencing from November 12, 2024, subject to the approval of shareholders in the 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2025.*

**Details of change in composition of the Board during the current and previous financial year.**

Sl No.	Name of Director	Capacity	Nature of change	Effective date
1	Kurian Chirathalattu George	Independent Director	Re-Appointment	September 28, 2024
2	Thevalakkara Thomas Mathew	Independent Director	Re-Appointment	September 28, 2024
3	George Alexander Muthoot	Director	Resignation	October 08, 2024
4	George Muthoot Jacob	Whole-time Director	Resignation	October 08, 2024
5	Manoj Jacob	Whole-time Director	Appointment	November 12, 2024

**Committees of the Board and their composition**

**1. Audit Committee**

The members of the Audit Committee are:

Sl No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Kurian C George	21.11.2019	Chairperson, Non-Executive, Independent Director	4	4	Nil
2.	T. Thomas Mathew	21.11.2019	Member, Non-Executive, Independent Director	4	4	Nil
3.	George Muthoot Jacob *	21.11.2019	Member, Whole-Time Director	2	2	Nil
4.	Manoj Jacob #	12.11.2024	Member, Whole-Time Director	2	2	Nil

\* Mr. George Muthoot Jacob resigned as the member from the Audit Committee on October 08, 2024.

# Mr. Manoj Jacob was appointed as a member of the committee commencing from November 12, 2024.

**Brief Terms of reference of the Audit Committee:**

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees or any payment to statutory auditors for any other services;
- Reviewing, with the management, the annual financial statements and Auditors Report thereon before submission to the board for approval;
- Discussion with internal auditors on any significant findings and follow up there on;
- To review the functioning of the Whistle Blower mechanism
- Approval or any subsequent modification of transactions of the Company with related parties;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**2. Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee are:

Sl No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	T. Thomas Mathew	04.06.2021	Chairperson, Non-Executive, Independent Director	2	2	Nil
2.	Kurian C George	04.06.2021	Member, Non-Executive, Independent Director	2	2	Nil
3.	Anna Alexander	04.06.2021	Member, Non-Executive Director, (Promoter group)	2	2	11,52,500

**Brief Terms of reference of the Nomination and Remuneration Committee:**

- Identifying persons who are qualified to become Directors and who may be appointed as KMP's in accordance with Criteria as laid down and recommend to Board their appointment and removal.
- Review and carry out every Director's performance, the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Plan for the succession planning for directors in the course of its work, considering the challenges and opportunities faced by the Company, and what skills and expertise are therefore needed on the Board in the future.
- Determine and agree with the Board the framework for broad policies on criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board, policies relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- Review the on-going appropriateness and relevance of the remuneration policy.
- Formulate ESOP plans and decide on grant of stock options.

**3. Stakeholders' Relationship Committee**

The members of the Stakeholders' Relationship Committee are:

Sl No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Kurian C George	21.11.2019	Chairperson, Non-Executive, Independent Director	4	4	Nil
2.	T. Thomas Mathew	21.11.2019	Member, Non-Executive, Independent Director	4	4	Nil
3.	George Muthoot Jacob *	21.11.2019	Member, Whole-Time Director	2	2	Nil
4.	Manoj Jacob *	12.11.2024	Member, Whole-Time Director	2	2	Nil

*\* Mr. George Muthoot Jacob resigned as the member of Committee on October 08, 2024 and Mr. Manoj Jacob was appointed as member on November 12, 2024.*



**Brief Terms of reference of the Stakeholders Relationship Committee:**

- To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters and also to deal with all the matters related to de-materialisation or re-materialisation of securities, change in the beneficial holders of demat securities and granting of necessary approvals wherever required;
- To look into and redress shareholder's/investors grievances.
- To look into and redress customers' grievances relating to delay or denial of service at the counters of our Branches, Misbehaviour by Staff Members, Complaints relating to interest collected which was different from the rate agreed at the time of sanction, Complaints with reference to the digital platforms and delays experienced etc.

**4. Corporate Social Responsibility Committee**

The members of the CSR Committee are:

Sl No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	T.Thomas Mathew	11.08.2021	Chairperson, Non-Executive, Independent Director	1	1	Nil
2.	George Alexander Muthoot *	11.08.2021	Member, Non-Executive Director (Promoter)	1	1	50,54,800
3.	G R Ragesh	11.08.2021	Member, Non-Executive Director	1	1	Nil
4.	Manoj Jacob*	12.11.2024	Member, Whole-Time Director	0	0	Nil

*\*Mr. George Alexander Muthoot resigned as member of the CSR Committee with effect from October 08, 2024 and Mr. Manoj Jacob was appointed as a member with effect from November 12, 2024.*

**Brief Terms of reference of the Stakeholders Relationship Committee:**

- To do all acts and deeds as required under Section 135 of Companies Act, 2013 read with Relevant Rules;

- To approve, adopt and alter the Policy Documents for CSR Committee activities of our Company;
- To supervise, monitor and Direct CSR Committee activities of the Company and approve Budgets, sanctioning the amount required for various CSR Activities;
- To authorize or delegate any of its power for administration purposes/expenses related to day-to-day activities of Company for CSR to any member of the Committee;
- To review CSR activities of the Company on a regular basis as decided by the Committee on basis of CSR policy and other guidelines as adopted by the Committee.

In line with the requirements of Section 135 of the Act, your Board has constituted a Corporate Social & Business Responsibility Committee of the Board to oversee the CSR functions of the Company. The details of meetings of the Corporate Social & Business Responsibility Committee including composition are provided in the **Annexure II** on Corporate Social Responsibility appended to the Annual Report.

#### 5. Asset Liability Management Committee

The members of the Asset Liability Management Committee are:

Sl No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	George Alexander Muthoot *	11.08.2021	Chairperson, Non-Executive Director (Promoter)	1	0	50,54,800
2.	George Muthoot Jacob *	11.08.2021	Member, Whole-Time Director	1	1	Nil
3.	G R Ragesh	11.08.2021	Member, Non-Executive Director	2	2	Nil
4.	Manoj Jacob	12.11.2024	Chairperson, Whole-Time Director	1	1	Nil
5.	Anna Alexander	12.11.2024	Member, Non-Executive Director	1	1	11,52,500

*\*Mr. George Alexander Muthoot resigned as Chairperson of the ALM Committee with effect from October 08, 2024 and Mr. Manoj Jacob was appointed as the Chairperson with effect from November 12, 2024.*

*\*Mr. George Muthoot Jacob resigned as member of ALM Committee on October 08, 2024 and Ms. Anna Alexander was appointed as a member of the Committee.*

**Brief terms of reference of the Asset Liability Management Committee:**

- To ensure that the asset liability management strategy and Company's market risk management policies are implemented.
- To provide a strategic framework to identify, assess, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
- To report to the Board of Directors on the adequacy of the Company's systems and controls for managing risk, and for recommending any changes or improvements, as necessary.
- To review and assess the management of funding undertaken by Company and formulate appropriate actions.
- To review and assess the management of the Company's liquidity with the framework and policies established by the Board and formulate appropriate actions to be taken.
- To consider the significance of ALM on any changes in customer behaviour and formulate appropriate actions.

**6. Risk Management Committee**

The members of the Risk Management Committee are:

Sl No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	George Alexander Muthoot *	21.11.2019	Chairperson, Non-Executive Director (Promoter)	2	1	50,54,800
2.	George Muthoot Jacob #	21.11.2019	Member, Whole-Time Director	2	2	Nil
3.	Kurian C George	21.11.2019	Chairperson, Non-Executive, Independent Director	4	4	Nil

4.	Manoj Jacob	12.11.2024	Member, Whole-Time Director	2	2	Nil
5.	G R Ragesh	12.11.2024	Member, Non- Executive Director	2	2	Nil

*\* Mr. George Alexander Muthoot resigned as Chairperson of the Risk Management Committee with effect from October 08, 2024 and Mr. Kurian C George was appointed as the Chairperson with effect from November 12, 2024.*

*# Mr. George Muthoot Jacob resigned as member of the Risk Management Committee with effect from October 08, 2024 and Mr. Kurian C George was appointed as the Chairperson with effect from November 12, 2024.*

**Brief terms of reference of the Risk Management Committee:**

- Oversee the development, implementation and maintenance of the Company's overall risk management framework and its appetite, strategy, principles and policies, to ensure they are in line with emerging regulatory, corporate governance and industry best practice
- Oversee the Company's risk exposures, risk/return and proposed improvements to the risk management framework of the company and its risk appetite, strategy, principles, policies and standards
- Monitoring the cyber security of the Company and take appropriate actions/approach to combat cyber threats given the level of complexity of business and acceptable levels of risk
- Review new risk principles and policy and material amendments to risk principles and policy recommended by the Internal risk management committee of the company
- Oversee adherence to Company's risk principles, policies and standards and any action taken resulting from material policy breaches, based upon reports from the internal risk management committee
- Review and discuss with the Internal risk management committee the scope of work of the Company's RCU, its plans, the issues identified as a result of its work, how management is addressing these issues and the effectiveness of systems of risk management
- Review the adequacy of the Company's Risk Division's resources, and its authority and standing within the Company; and
- Review co-ordination between the Company's RCU and the internal auditors.

**7. IT Strategy Committee**

The members of the IT Strategy Committee are:

Sl No.	Name of Director	Member of Committee since	Capacity	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Thevalakkara Thomas Mathew	05.02.2021	Chairperson, Non-Executive, Independent Director	4	4	Nil
2.	George Muthoot Jacob	05.02.2021	Chairperson, Whole Time Director	2	2	Nil
3.	G R Ragesh	11.08.2021	Member, Non-Executive Director	4	4	Nil
4.	Aneesh C E	05.02.2021	Member, Chief Manager-IT	4	4	Nil
5.	Manoj Jacob	12.11.2024	Member, Whole-Time Director	2	2	Nil

#### **Brief Terms of reference of the IT Strategy Committee**

- Oversight over the IT Strategic Planning & Execution;
- Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization;
- Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;
- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives; and
- Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

#### **8. General Body Meetings**

Details of the General Meeting held last year.

1.	Type of Meeting (Annual/ Extra- Ordinary)	Date and Place	Special resolutions passed
1.	Annual Meeting      General	28/09/2024, Registered office	<ul style="list-style-type: none"> <li>▪ Re-appointment of Mr. Thevalakkara Thomas Mathew (DIN: 08545597) as the Independent Director</li> <li>▪ Re-appointment of Mr. Kurian Chirathalattu George (DIN: 00427344) as the Independent Director</li> <li>▪ Re-appointment of Mr. George Muthoot Jacob (DIN: 00018955) as the Whole-time Director of the Company for a period of 5 years with effect from February 09, 2024</li> </ul>

**Details of non-compliance with requirements of Companies Act, 2013**

During the Financial year 2024-25, there was no instance of non-compliance with requirements of Companies Act, 2013, the Accounting and Secretarial standards.

**Details of penalties and strictures**

A penalty of Rs. 790,000 was imposed on the company by the Reserve Bank of India during the 2024-25. The company remitted the amount on October 05, 2024. Apart from this instance, no other penalties or stricture have been issued to the Company by the RBI, Stock Exchanges, SEBI or any other regulatory body.

**On behalf of the Board of Directors**

Sd/-  
Manoj Jacob  
Whole-time Director  
(DIN: 00019016)

Sd/-  
G.R Ragesh  
Director  
(DIN: 01991210)

Place: Kochi

Date: July 24, 2025

**R.G.N.PRICE & CO**  
**CHARTERED ACCOUNTANTS**

**Phone** : 2312960, 2316538  
**Email** : [priceco@rgnprice.com](mailto:priceco@rgnprice.com)  
**Offices at** : Chennai, Mumbai, Bengaluru, Quilon, Calicut  
**Ref** : 09/2025  
**UDIN** : 25023933BMLHSR5623

G 234, Panampally Nagar,  
**Cochin** - 682 036.

Date : 17.05.2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**MUTHOOT VEHICLE & ASSET FINANCE LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **Muthoot Vehicle & Asset Finance Limited (“the Company”)** which comprises the Balance Sheet as at 31<sup>st</sup> March 2025, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of cash flows 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2025, and **PROFIT**, Changes in Equity and its cash flows for the year ended on that date.

**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. 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.



## Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significant in our audit of the Financial Statements for the year ended 31<sup>st</sup> March, 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

Sl.No	Key Audit Matters	How the matter was addressed in our audit
i.	<p><b>Assessment of impairment loss allowance based on Expected Credit Loss (ECL) on Loans</b>  <b>(Refer Note No. 6 of financial statements and Note No. 3.4 of Material Accounting Policies)</b></p>	
	<p>As at 31<sup>st</sup> March 2025, the Company has reported gross loan assets of Rs.29,656.04 Lakhs against which an impairment loss of Rs.889.60 Lakhs has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss (ECL) approach laid down under Ind-AS 109 – Financial Instruments.</p> <p>The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgment and assumptions involved in measuring ECL is required with respect to:</p> <ul style="list-style-type: none"> <li>ensuring completeness and accuracy of the data used to create assumptions in the model</li> <li>determining the criteria for a significant increase in credit risk</li> <li>factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default.</li> </ul> <p>These parameters are derived from the Company's internally developed statistical</p>	<p>Our audit included assessing the appropriateness of managements' judgments and estimates used in the impairment analysis through procedures that included, but were not limited the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions</li> <li>Considered the Company's accounting policies for estimation of Expected Credit Loss on loans and assessed compliance with the policies in terms of Ind-AS 109</li> <li>Obtained an understanding of the management's updated processes, systems and controls implemented in relation to impairment allowance process.</li> <li>Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets.</li> <li>Assessed critical assumptions and input data used in the estimation of Expected Credit Loss models for specific key credit risk parameters, such as</li> </ul>

	<p>models and other historical data.</p> <p><b>Disclosure</b></p> <p>The disclosures regarding the Company's application of Ind-AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regard to Non Performing Assets and provisions is also an area of focus.</p> <p>Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.</p>	<p>movement logic between stages, Exposure at Default (EAD), Probability of Default (PD), or Loss Given Default (LGD).</p> <ul style="list-style-type: none"> <li>• Recomputed the impairment provision on test check basis across the loan portfolio to verify the arithmetical accuracy and compliance with requirements of Ind-AS 109</li> <li>• Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable.</li> <li>• Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.</li> </ul>
<b>ii</b>	<b>Information Technology and General Controls</b>	
	<p>The Company is highly dependent upon its Information Technology (IT) systems for carrying out its operations and owing to the significant volume of transactions that are processed on a daily basis as part of the operations, which impacts key financial accounting and reporting. The Company has put in place the IT General Controls and application controls to ensure that the information produced by the Company is complete, accurate and reliable. Among other things, the Management also uses the information produced by the entity's IT systems for accounting and preparation and the presentation of the financial statements.</p> <p>Since our audit strategy included focus on entity's key IT systems relevant to our audit due to their potential pervasive impact on the financial statements, we have determined the use of IT systems and related control environment for accounting and financial reporting as a key audit matter.</p>	<p>Our audit procedures for assessment of the IT systems and controls over financial reporting, which includes carrying out the key audit procedures, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's key IT systems, IT General Controls which covered access controls, program / system changes, program development and computer operations ie., job processing data / system backup and incident management and application controls relevant to our audit.</li> <li>• Tested the design, implementation and operating effectiveness of the general IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access</li> </ul>

		<p>of all users being re-certified during the period of audit.</p> <ul style="list-style-type: none"> <li>• Tested application controls (automated controls), related interfaces and report logic for system generated reports relevant to the audit of loans, expenses, payroll and investments among others, for evaluating completeness and accuracy.</li> <li>• Tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the financial statements.</li> <li>• Relied on IS / technology audits carried out by external agencies.</li> <li>• Obtained written representations from management and those charged with governance wherever considered necessary.</li> </ul>
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### **Information other than the Financial Statements and Auditors Report thereon**

The Company's Board of Directors is responsible for the Information other than the financial statements and auditors report thereon. The said information comprises the information included in the Directors Report (Other information), but does not include the financial statements and our audit report thereon. The Other Information is expected to be made available to us after the date of this auditors' report

Our opinion on the financial statements does not cover the other information and we will 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, otherwise appear to be materially misstated

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

## **Responsibility of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2025 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 over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in Annexure A.
- g. In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in Note No. 37 of the financial statements;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management, as explained in Note No.47(1) of the financial statements, has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, 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;

(ii) The management, as explained in Note No.47(2) of the financial statements, has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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; and

(iii) Based on such audit procedures, that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- e. The Company has not declared or paid any dividend during the year and hence reporting under this clause is not applicable.
- f. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

## **ANNEXURE**

### **i) Fixed Assets**

- (a) (A) The Company has maintained records showing particulars of Property, Plant and Equipment including quantitative details and situation. The Company is in the process of updating the same.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) These Properties, Plant and Equipments have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification.
- (c) The title deeds to the immovable properties owned by the company are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipments during the year.
- (e) As per the information and explanations furnished to us, no proceedings have been 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.

### **ii) Inventories**

- (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the order is not applicable to the Company
- (b) The company has not availed working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the year.

### **iii) Investments/Loans/Advances and Guarantees**

- (a) The company has granted loans in the ordinary course of business as a Non- Banking Finance Company to parties listed in the register maintained under Section 189 of The Companies Act, 2013. Hence, the requirement to report on clause 3(iii) (a) of the Order is not applicable to the Company.
- (b) In our opinion and according on the information and explanations furnished to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are prima facie not prejudicial to the company's interest.
- (c) The Company is a Non- Banking Financial Company (NBFC), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circular and norms issued by the Reserve Bank of India including Master Circular- Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to



Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments /receipts of principal and interest are regular except for certain instances as below

**Overdue amount as on 31-03-2025**

<b>Particulars-Days past due</b>	<b>Total Amount due (in lakhs)</b>
1-30 days	72.33
31-90 days	124.81
More than 90 Days	1236.37
<b>Total</b>	<b>1433.51</b>

- (d) According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in the course of the business operations of the Company aggregates to Rs. 1236.37 Lakhs as at March 31, 2025 in respect of 2083 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue
- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii) (e) of the Order is not applicable to the company
- (f) During the year, the company has not granted any loans/advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment.

iv) Compliance with Sec 185 and Sec 186

The Company has complied with the provisions of Section 185 and 186 of The Companies Act, 2013, with respect to the loans made during the year.

In our opinion and according to the information and explanations given to us, the company has not made any investments, guarantees during the year to which the provisions of Section 185 and 186 of the Companies Act 2013 applies.

v) Fixed Deposits

In our opinion and according to the information and explanations given to us, the Company has accepted deposits from the public and the company has complied all the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.

vi) Cost Records

In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the company.

vii) Statutory Dues

- (a) The company was generally regular in depositing with appropriate authorities undisputed statutory dues towards Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, duty of customs, cess and other statutory dues, wherever applicable. There were no arrears of undisputed statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the company, the following disputed statutory dues are outstanding as on the date of balance sheet.

Name of Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	12.94	AY 23-24	Commissioner of Income Tax

viii) Undisclosed Income

In our opinion and according to the information and explanations given to us, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix) Repayment of Loans

- (a) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in any repayment of loans or borrowings to financial institution or bank or dues to debenture holders.
- (b) Based on the information and explanations given to us, the company is not declared wilful defaulter by any bank or financial institution or any other lender;
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) Application of funds raised through public offer

- (a) The company has not raised any funds through public offer during the year.
- (b) The company has not raised any funds during the year by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible)

xi) Frauds

- (a) According to the information and explanations given to us, no material fraud, on or by the company, has been noticed or reported during the year.
- (b) As no material fraud, on or by the company, has been noticed or reported during the year, reporting under this clause as per section 143(12) is not applicable.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

xii) Nidhi Company

In our opinion and according to the information and explanations given to us, the company is not a nidhi company and hence this clause is not applicable to the company.

xiii) Related Party Transactions

In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where ever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards

xiv) Internal Audit

- (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.

xv) Non Cash Transactions

As explained to us, the company has not entered into any non-cash transactions with directors or other persons during the year

xvi) Registration with RBI

- (a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the required registration.
- (b) The Company has conducted the business as a Non-Banking Financial Company accepting public deposit with a Valid Certificate of Registration from Reserve Bank of India vide registration number A-16.00042 dated 20.03.2007.
- (c) The Company is not a Core Investment Company ('CIC') as defined under the regulations by the Reserve Bank of India and hence reporting under paragraph 3 (xvi) (c) of the Order is not applicable.
- (d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.

xvii) Cash Losses

The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii) Resignation of Auditor

There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

xix) Going Concern

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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 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) Corporate Social Responsibility

The Company has fully spent the required amount towards Corporate social responsibility (CSR) and there is no unspent CSR amount for the year required a transfer to a fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

xxi) Observations by component auditors

The company does not have any subsidiaries/associates/joint ventures and hence reporting under this clause is not applicable.

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MUTHOOT VEHICLE & ASSET FINANCE LIMITED**

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

We have audited the internal financial controls over financial reporting of Muthoot Vehicle & Asset Finance Limited as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal 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". 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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## **Meaning of Internal Financial Controls Over Financial Reporting**

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 unauthorised 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**

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**

In our opinion, 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 March 31, 2025, 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”.

Sd/-  
P.M.Veeramani  
Partner  
For RGN Price & Co.  
Chartered Accountants

**MUTHOOT VEHICLE & ASSET FINANCE LIMITED**

Muthoot Chambers, Opp. Saritha Theatre, Banerji Road, Cochin, Phone: +91 75938 64417

CIN: U65910KL1992PLC006544 | www.mvafll.com | mvflcoadmin@muthootgroup.com

**BALANCE SHEET AS AT 31st MARCH, 2025**

₹ in Lakhs

Particulars	Note No	As at 31st March 2025	As at 31st March 2024
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	4	1,601.33	826.68
Bank balances other than cash and cash equivalents	5	634.93	524.27
Loans	6	28,766.44	27,950.41
Investments	7	2,836.81	1,667.45
Other financial assets	8	140.46	258.92
<b>Non - Financial Assets</b>			
Current Tax Assets (Net)	9	53.57	-
Deferred Tax Assets (Net)	19	219.00	171.24
Investment Property	10	9.04	10.83
Property, Plant and Equipment	11	433.20	401.86
Intangible Assets	11	0.83	1.57
Other Non-financial Assets	12	1,042.62	932.14
<b>Total Assets</b>		<b>35,738.23</b>	<b>32,745.37</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Payables			
Trade Payables	13		
Total outstanding dues of micro enterprises and small enterprises		4.15	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		26.35	42.60
Other Payables	14		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		11.02	0.92
Debt Securities	15	2,391.10	8,769.10
Deposits	16	18,978.28	10,813.98
Other Financial Liabilities	17	1,989.88	2,020.48
<b>Non Financial Liabilities</b>			
Current Tax Liabilities (Net)	33	-	55.20
Provisions	18	68.22	49.40
Other Non-financial Liabilities	20	142.31	86.86
<b>Equity</b>			
Equity Share Capital	21	2,500.00	2,500.00
Other Equity	22	9,626.92	8,406.83
<b>Total Liabilities and Equity</b>		<b>35,738.23</b>	<b>32,745.37</b>

*The accompanying notes form integral part of the financial statements*

As per our report of even date attached

**For and on behalf of the Board of Directors****For R.G.N. Price & Co**  
Chartered Accountants**Sd/-**  
**Manoj Jacob**  
Whole Time Director (DIN - 00019016)**Sd/-**  
**Ragesh G R**  
Director (DIN - 01991210)**Sd/-**  
**P.M. Veeramani**  
Partner**Sd/-**  
**Philip P T**  
Chief Executive Officer**Sd/-**  
**Geena Thomas**  
Chief Financial Officer**Sd/-**  
**Nrithya Anand**  
Company Secretary**Place : Cochin**  
Date : 17-05-2025



# MUTHOOT VEHICLE & ASSET FINANCE LIMITED

Muthoot Chambers, Opp. Saritha Theatre, Banerji Road, Cochin, Phone: +91 75938 64417

CIN: U65910KL1992PLC006544 | www.mvafll.com | mvflcadmin@muthootgroup.com

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2025

₹ in Lakhs

Particulars	Note No	Year ended 31st March 2025	Year ended 31st March 2024
<b>Revenue from operations</b>			
Interest Income	23	5,357.08	4,869.87
Rental Income		13.44	12.39
Net Gain on Fair Value Changes	24	90.97	154.37
Service charges		441.69	248.18
<b>Total Revenue from Operations</b>		<b>5,903.18</b>	<b>5,284.81</b>
Other Income	25	650.94	705.39
<b>Total Income</b>		<b>6,554.12</b>	<b>5,990.20</b>
<b>Expenses</b>			
Finance Cost	26	2,251.52	1,829.93
Fees and Commission Expense	27	12.70	13.26
Impairment on Financial Instruments	28	233.24	106.92
Employee Benefit Expense	29	1,798.16	1,723.40
Depreciation, amortization and impairment	30	65.41	74.17
Other Expenses	31	698.14	649.25
<b>Total Expense</b>		<b>5,059.17</b>	<b>4,396.93</b>
<b>Profit Before Tax</b>		<b>1,494.95</b>	<b>1,593.27</b>
Tax Expense	19		
Current Tax		348.08	381.25
Deferred Tax		(42.55)	0.67
Taxes Relating to Prior Years		(46.15)	(17.92)
<b>Total Tax Expense</b>		<b>259.38</b>	<b>364.00</b>
<b>Profit after Tax</b>		<b>1,235.57</b>	<b>1,229.27</b>
<b>Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(20.70)	(9.38)
Tax impact on above		5.21	2.36
Items that will be reclassified to profit or loss in subsequent periods:			
Tax impact on above		-	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>(15.49)</b>	<b>(7.02)</b>
<b>Total comprehensive income for the year</b>		<b>1,220.08</b>	<b>1,222.25</b>
<b>Earnings per Equity share:</b>	32		
(Face value of Rs. 10/- each)			
Basic (Rs.)		4.94	4.92
Diluted (Rs.)		4.94	4.92

The accompanying notes form integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

For R.G.N. Price & Co  
Chartered Accountants

Sd/-  
Manoj Jacob  
Whole Time Director (DIN - 00019016)

Sd/-  
Ragesh G R  
Director (DIN - 01991210)

Sd/-  
P.M. Veeramani  
Partner

Sd/-  
Philip P T  
Chief Executive Officer

Sd/-  
Geena Thomas  
Chief Financial Officer

Sd/-  
Nrithya Anand  
Company Secretary

Place : Cochin  
Date : 17-05-2025

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2025

₹ in Lakhs

Particulars	As at 31st March 2025	As at 31st March 2024
<b>A Cash flow from Operating activities</b>		
Profit before tax	1,494.95	1,593.27
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation, amortisation and impairment	65.41	74.17
Impairment on financial instruments	233.24	106.92
Finance cost	2,251.52	1,829.94
Interest income from loans	(4,976.17)	(4,652.48)
Loss on sale of Property, plant and equipment	0.29	1.09
Interest on Income tax	2.54	-
Provision for Gratuity	10.36	7.49
Provision for Leave Encashment	17.00	(55.46)
Profit on sale of investments	(0.08)	(0.16)
Profit on sale of Property, plant and equipment	-	(0.09)
Net Gain on Fair Value Changes	(90.97)	(154.37)
Interest income from investment	(96.46)	(78.18)
<b>Operating Profit Before Working Capital Changes</b>	<b>(1,088.36)</b>	<b>(1,327.90)</b>
(Increase)/Decrease in Loans	(972.49)	(4,897.48)
(Increase)/Decrease in Other financial asset	118.46	(33.82)
(Increase)/Decrease in Other non-financial asset	(141.53)	(92.43)
Increase/(Decrease) in Other financial liabilities	(30.60)	(245.43)
Increase/(Decrease) in Other non financial liabilities	55.45	(42.73)
Increase/(Decrease) in Trade payables	(2.00)	(5.99)
Increase/(Decrease) in Provisions	1.83	46.63
(Increase)/Decrease in Bank balances other than cash and cash equivalents	(110.66)	295.01
<b>Cash Generated from Operations before adjustments for interest received and interest paid</b>	<b>(2,169.91)</b>	<b>(6,304.15)</b>
Interest expenses paid	(2,227.25)	(1,856.07)
Interest received from loans	4,899.40	4,452.39
<b>Cash Generated From Operations</b>	<b>502.23</b>	<b>(3,707.82)</b>
Income Tax Paid	(413.24)	(327.89)
<b>Net cash from operating activities</b>	<b>88.99</b>	<b>(4,035.72)</b>
<b>B Cash flow from Investing activities</b>		
Purchase of Property, plant and equipment and intangible assets	(94.97)	(75.48)
Proceeds from sale of Property, plant and equipments	0.45	0.68
(Purchase) / Sale of investments	(1,078.31)	372.27
Interest income from investments	96.46	78.18
<b>Net cash from Investing activities</b>	<b>(1,076.38)</b>	<b>375.65</b>
<b>C Cash flow from Financing activities</b>		
Increase/(Decrease) in Deposits	8,163.05	5,057.32
Increase / (decrease) in debt securities	(6,401.01)	(6,212.07)
Increase / (decrease) in borrowings (other than debt securities)	-	(1,453.69)
<b>Net cash from financing activities</b>	<b>1,762.04</b>	<b>(2,608.45)</b>
<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>774.65</b>	<b>(6,268.51)</b>
Cash and cash equivalents at Beginning of the Year	826.68	7,095.19
<b>Cash and cash equivalents at end of the Year</b>	<b>1,601.33</b>	<b>826.68</b>

The accompanying notes form integral part of the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached

For R.G.N. Price & Co  
Chartered Accountants

Sd/-  
Manoj Jacob  
Whole Time Director (DIN - 00019016)

Sd/-  
Ragesh G R  
Director (DIN - 01991210)

Sd/-  
P.M. Veeramani  
Partner

Sd/-  
Philip P T  
Chief Executive Officer

Sd/-  
Geena Thomas  
Chief Financial Officer

Sd/-  
Nrithya Anand  
Company Secretary

Place : Cochin  
Date : 17-05-2025

**MUTHOOT VEHICLE & ASSET FINANCE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2025****a) Equity share capital**

2,50,00,000 Equity Shares of Rs.10 each issued, subscribed and fully paid

Particulars	As at 31st March 2025	As at 31st March 2024
Balance at the beginning of the year	2,500.00	2,500.00
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>2,500.00</b>	<b>2,500.00</b>

**b) Other Equity**

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit Plan	
<b>Balance as at April 01st 2024</b>	<b>2,767.41</b>	<b>86.40</b>	<b>5,583.03</b>	<b>(30.01)</b>	<b>8,406.83</b>
Transfer to reserve Fund in terms of 45 IC of RBI Act	247.11	-	(247.11)	-	-
Profit for the year after income tax	-	-	1,235.57	-	1,235.57
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	(20.70)	(20.70)
Income Tax on OCI	-	-	-	5.21	5.21
<b>Balance As at 31 March 2025</b>	<b>3,014.53</b>	<b>86.40</b>	<b>6,571.49</b>	<b>(45.50)</b>	<b>9,626.92</b>

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit Plan	
<b>Balance as at April 01st 2023</b>	<b>2,521.56</b>	<b>86.40</b>	<b>4,599.61</b>	<b>(22.99)</b>	<b>7,184.58</b>
Transfer to reserve Fund in terms of 45 IC of RBI Act	245.85	-	(245.85)	-	-
Profit for the year after income tax	-	-	1,229.27	-	1,229.27
Other Comprehensive Income (OCI) for the year before income tax	-	-	-	(9.38)	(9.38)
Income Tax on OCI	-	-	-	2.36	2.36
<b>Balance As at 31 March 2024</b>	<b>2,767.41</b>	<b>86.40</b>	<b>5,583.03</b>	<b>(30.01)</b>	<b>8,406.83</b>

For and on behalf of the Board of Directors

As per our report of even date attached

Sd/-  
Manoj Jacob  
Whole Time Director (DIN - 00019016)Sd/-  
Ragesh G R  
Director (DIN - 01991210)For R.G.N. Price & Co  
Chartered AccountantsSd/-  
P.M. Veeramani  
PartnerSd/-  
Philip P T  
Chief Executive OfficerSd/-  
Geena Thomas  
Chief Financial OfficerSd/-  
Nrithya Anand  
Company SecretaryPlace : Cochin  
Date : 17-05-2025

## **1 Corporate information**

Muthoot Vehicle & Asset Finance Ltd. (formerly known as Muthoot Leasing & Finance Ltd.) was incorporated as a public Limited company on 08<sup>th</sup> June 1992. The Company is a part of the Muthoot Group and was incorporated for undertaking Hire Purchase operations. The Company has over the years transformed its business and is, presently, a multi category Loan portfolio company. The Company has been into the business of granting loans against security of vehicles and assets and also accepts public and corporate deposits predominantly in the state of Kerala and also operates in Coimbatore in the state of Tamil Nadu. The Company has its registered office at 2<sup>nd</sup> Floor, Muthoot Chambers, Opp. Saritha Theatre Complex, Banerji Road, Kochi – 682 018 and its Corporate Office at 5<sup>th</sup> & 6<sup>th</sup> floor, Mithun Towers, K.P.Vallon Road, Kadavanthra, Kochi – 682 020.

The Company obtained a certificate of registration dated 30<sup>th</sup> November, 1998 (bearing no. 16.00042) issued by the RBI to carry on the activities of a deposit taking non-banking financial company (NBFC) under section 45 IA of the RBI Act, 1934. Subsequently, on change of its name on October 3, 2008 a fresh Certificate bearing No. A-16-00042 was issued to the company. The Company has been reclassified as NBFC- Investment and Credit Company (NBFC-ICC).

## **2 Basis of preparation**

### **2.1 Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). These financial statements may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

### **2.2 Basis of measurement**

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

- i. Financial assets and liabilities designated at fair value through profit or loss (FVTPL)
- ii. Defined benefit plans

### **2.3 Functional and presentation currency**

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

### **3. Summary of Material accounting policies**

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **3.1 Income**

##### **3.1.1 Interest Income**

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognizes interest income on the amortized cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

##### **3.1.2 Other Income**

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the

Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

**(A) Fees and commission**

The Company recognizes service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognized on rendering of services and products to the customer. The income so earned is recognized on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognized on realization.

**(B) Dividend Income**

Dividend income 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.

**(C) Recoveries of financial assets written off**

The Company recognizes income on recoveries of financial assets written off on realization.

**(D) Rental Income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss.

**(E) Net gain on fair value changes**

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognizes gains on fair value change of financial assets measured at FVTPL on net basis

## **3.2. Financial Instruments**

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

All the financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments.

### **A. Financial Assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity which normally includes loan receivables, debt instruments, cash & cash equivalents etc.

#### **3.2.1. Initial Recognition**

All financial assets are recognized initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

#### **3.2.2. Subsequent measurement**

##### **(a) Financial assets measured at amortised cost**

The Company measures its financial assets at amortized cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets

held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortized cost category is to hold and collect contractual cash flows. After initial measurement, such financial assets are subsequently measured at amortized cost on effective interest rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortized cost is explained in subsequent notes in this section.

**(b) Financial assets measured at fair value through other comprehensive income (FVOCI)**

A financial asset is measured at FVOCI 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.

**(c) 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.

**B. Financial liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments which normally includes trade payables, debt securities ,other borrowings etc.

**3.2.3. Initial recognition**

All financial liabilities are recognized initially at fair value and, in the case of borrowings, net of directly attributable transaction costs.

**3.2.4. Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortized cost using the EIR. Any gains or losses arising on derecognition of liabilities are recognized in the Statement of Profit and Loss.

**3.3. Derecognition of Financial Assets and liabilities**

**3.3.1. Financial Asset**

The Company derecognizes a financial asset (or, where applicable, a part of a financial asset) when the right to receive cash flows from the asset have expired.



### **3.3.2. Financial Liability**

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

### **3.3.3 Offsetting**

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

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

## **3.4. Impairment of financial assets**

Expected Credit Loss (ECL) are recognized for financial assets held under amortized cost, certain loan commitments, etc.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognized. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

While computing the ECL provision, if a borrower has any account classified as Stage 2, then all Stage 1 accounts of the same borrower are also considered as Stage 2 for the purpose of ECL computation.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

### **3.4.1. Treatment of the different stages of financial assets and the methodology of determination of Expected Credit Loss (ECL)**

#### **(a) Stage3 - Financial asset is credit impaired**

The Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans except COVID-19-Restructured Accounts, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months-post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognized by applying the Effective Interest Rate (EIR) to the net amortized cost amount i.e. gross carrying amount less ECL allowance.

#### **(b) Stage 2- Financial asset having significant increase in credit risk**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioral trends, credit transition probabilities and macroeconomic conditions. The assessed

PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

**(c) Stage 1- Financial asset without significant increase in credit risk since initial recognition**

ECL resulting from default events that are possible in the next 12 months is recognized for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioral trends witnessed for each homogenous portfolio using application/behavioral score cards and other performance indicators, determined statistically.

**(d) Measurement of Expected Credit Loss (ECL)**

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macroeconomic factors.

The Company has considered the following three main components for calculating ECL:

**1. Probability of default (PD)**

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 a pool 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 are considered.

**2. Loss Given Default (LGD)**

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 realization of any collateral.

### **3. Exposure at Default (EAD)**

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 draw downs on committed facilities, and accrued interest from missed payments.

ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Probability of Default (PD) is determined for each stages of ECL.
- Exposure at Default (EAD) represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- Loss Given Default (LGD) represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money.

Detailed description of the methodology used for ECL is covered in the 'credit risk' section of note No.3.19.

### **Collateral Repossessed**

Collaterals which are repossessed are disclosed as Other Non-Financial Assets under the head Assets acquired in satisfaction of debt where collateral is an immovable property and under the head Repossessed Assets where collateral is a movable property. The collaterals repossessed are accounted based on external /stamp duty valuations. In respect of loans where collaterals are repossessed, the underlying loans are fully written off in the books of the Company.

### **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. To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible.

The collateral comes in various forms, such as securities, deposits, vehicles, etc. However, the fair value of collateral affects the calculation of ECL. 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 judgments. Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

### **3.5. 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: 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, maximizing 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 summarized 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.

### **3.6. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and 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 and short- term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

### **3.7. 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.

Subsequent expenditure related to the asset are added to its carrying amount or recognized 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.

### **3.7.1. Depreciation on property, plant and equipment**

- (a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets which is in line with the estimated useful life as specified in Schedule II of the Companies Act 2013. The management estimate the useful lives as follows:

<b>Assets</b>	<b>Useful life (In years)</b>
Building	60
Computer	3
Electrical Fittings	10
Furniture and fixtures	10
Office Equipment	5
Vehicle	10
Temporary Partitions	1

- (b) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- (c) 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.
- (d) Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.
- (e) An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

- (f) 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 included under other income in the Statement of Profit and Loss when the asset is derecognized. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### **3.8. Intangible assets and amortization thereof**

An intangible asset is recognized 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 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 following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Subsequent expenditure related to the asset is added to its carrying amount or recognized 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.

Intangible assets comprising of software is amortized on straight line basis over a period of 5 years, unless it has a shorter useful life. Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit or Loss when the asset is derecognized.

### **3.9. Investment Property**

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs, borrowing cost and other directly attributable cost in bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalized to the assets carrying amount only when it is probable that the future economic benefit associated with the expenditure will flow to the company. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognized in the Statement of Profit and Loss in the same period.



### **3.10. Impairment of non-financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

### **3.11. Retirement and other employee benefits**

#### **3.11.1. 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

#### **3.11.2. Post-Employment benefits**

##### *A. Defined Contribution Plans:*

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 and Employee State Insurance Corporation at prescribed rates and are charged to Statement of Profit & Loss at actuals. The company has no liability other than its annual contribution.

##### *B. Defined Benefit Plans:*

##### **Gratuity**

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Trustees and separate schemes managed by the Life Insurance Corporation of India (LIC).

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.

### **3.11.3. 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 recognized in the Statement of Profit and Loss for the period in which they occur.

### **3.12. Provisions**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources 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. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **3.13. Taxes**

#### **3.13.1. Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other 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.

#### **3.13.2. Deferred tax**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

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 utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized either in OCI or in other equity.

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

### **3.14. 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.

### **3.15. 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.

### **3.16. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

### **3.17. Critical accounting estimates and judgments**

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

## **i. Business Model Assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

## **ii. Effective Interest Rate (EIR) method:**

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

## **iii. 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.

#### **iv. 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.

#### **v. 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.

#### **vi. Other estimates:**

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

### **3.18. Valuation techniques**

#### **3.18.1. Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

#### **3.18.2. Loans**

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

### **3.18.3. Financial liability at amortised cost**

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using actual yields.

### **3.19. Risk Management**

The Company's principal financial liabilities comprise deposits, debt securities, borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents, fixed deposits with banks and other receivables that are derived directly from its operations. As a NBFC, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review.

The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

- a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
- b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the Company. The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

## 1. Credit Risk

Credit Risk arises from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

Company's Risk Management is mainly described in 3 major pillars i.e.

1. Defining the Risk Appetite.
2. Guidelines for Risk Acquisition
3. Measuring & Monitoring of Risk

### **Pillar 1: Defining Risk Appetite.**

The Risk appetite is the risk taking ability of the company and range in which the company wants to operate to get the return on its investment. Company's major focus is in retail segment and more spread out customer base, which diversifies the risk of concentration of customer segment, customer profile, asset base etc. This is mainly classified in the below terms i.e.

- i. Setting up Exposure Limits
- ii. Defining Customer Risk Profile Standards
- iii. Setting up of Loan Sanctioning Powers
- iv. Risk based pricing

### **Pillar 2: Policy Guidelines for Risk Acquisition**

In line with set-up risk acquisition standards, Company has put in place the *Credit Policy* prescribing appraisal methodology based on the type of customer, business, income assessment module/s, geographical specific products etc. but within overall limit of set-up standards.

The credit policies are reviewed on periodical basis after analysing the portfolio, NPA, Collection feedback etc and sufficient corrections /updates are being made in the policy to cover the External and Inherent risk. To ward off any risk on this count, deviations are to be allowed only by the delegated authority.

### **Pillar 3: Monitoring of Risk Acquisition**

#### ***A. Portfolio Analytics:***

A Risk committee (Portfolio Review Committee) is been Formed, comprising of Department HODs of Collection, Sales New & Used and Credit, who meets on a periodical Basis ,ideally on a Quarterly basis to review the collection portfolio. They also take note of collection strength and corrective measures required if any, time to time and recommend for the policy changes to be done putting the portfolio under control in accordance with CEO. The Portfolio Committee also analyses on various parameters like Portfolio composition (Various product base of New & Used, Customer categories, and profiles as per credit policy, product-wise efficacy etc.) to assess the inherent risks vis-à-vis rewards and place their reports to the Chief Executive Officer. For the purpose of assimilation of



information, exception reports, customer feed-backs and inputs from Collection & Recovery would be incorporated. Portfolio Analysis would be a continuous exercise for assessing embedded risks in the portfolio.

***B. Default Analytics:***

Risk committee would on a continuous basis do the risk analysis of Early Delinquency Cases and Non Starter Cases, also RCU Negative cases and Alert cases in audits on random sample basis on credit and operations dimensions and would present the report to CEO. There would be feedback taken from the collection team and RCA (Route Cause Analysis) report of the Credit team members which would be decide the future plan of action on the said deal how to get solution of the particular kind of cases and necessary changes of policy recommendations if any. Risk Committee would also assess the Probability of Default (PD) for the portfolio, products and on Demographic and geographical dimensions so that learning can be used, for taking prudent decisions on products and policies by the management.

As an Asset Based Finance Company, collateral management is of utmost importance and as funding is on a depreciating asset, LTV parameters are the key to have positive asset value to Loan Ratio. Therefore assessment of Loss/ Probable losses are also been taken into consideration while deciding the policy changes in LTV for particular asset and revisions if any time to time.

**3.20. Impairment Assessment**

The Company is mainly engaged in the business of providing vehicle loans which has tenure of between 12 months to 84 months. While in the past, the company had a wholesale lending business vertical which extended loans to commercial businesses and mortgage loans which is discontinued for the time being. The company also provides unsecured personal loans and trade advance.

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.

**3.20.1. Definition of default and cure:**

The company considers a financial instrument as default and therefore Stage 3 (credit-impaired) for Expected Credit Loss (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, as appropriate.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. 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 (DPD/ Year)	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

### **3.20.2 Exposure at Default (EAD):**

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 draw downs on committed facilities, and accrued interest

### **3.20.3 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 wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2024 and March 31, 2024.

### **3.20.4. Loss Given Default (LGD):**

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset. LGD Rates have been computed internally based on the discounted

recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition. Company has adopted LGD at a rate drawn reference from Internal Rating Based (IRB) approach guidelines issued by Reserve Bank of India for Banks to calculate LGD where sufficient past information is not available.

#### **3.20.5. Collateral and other credit enhancements:**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

#### **3.20.6. Liquidity risk:**

Liquidity risk is the risk of being unable to raise necessary funds from the market at optimal cost to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalise on opportunities for business expansion. Board of Directors will have overall responsibility of monitoring, supervision and control of the ALM mechanism. Board will have a sub-committee of Directors (ALM Committee) to review the ALM position of the company on at least half yearly intervals. An Asset Liability Committee (ALCO) consisting of senior executive of the company including the CEO shall be responsible for the day to day as well as periodic monitoring and control of Asset Liability management.

#### **3.20.7. 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 objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments.

#### **3.20.8. Interest rate risk:**

Interest rate risk is the risk that the fair value of 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 fixed rates and for maturity periods shorter than the funding sources. Majority of our borrowings are at fixed rates .However, borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors.

In order to manage interest rate risk, the company seeks to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

#### **3.20.9. Risk Based Pricing:**

Company has set its benchmark lending rate band and all the loan products as per their perceived risk profiling are priced accordingly. The Rate offered for each category of customer is based on the asset they are taking, categorisation as per the credit policy etc.

Approved ROI and PF Matrix (Rate Card) also provides for concessions in the rate of interest to be charged to the customer in wake of competition and market compulsions and hence has put in place rate approval matrix. It is prudent on the part of approval authorities to allow concessions in rate of interests on selective basis and strictly on merits. In case there is any policy deviation, for which a deviation matrix is prescribed in the Rate approval Matrix, the above-stated card rates are additionally loaded as risk adjusted loading. Therefore by virtue of its Company ensures uniform rates for all the loans with similar risk profile.

#### **3.20.10 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 loans like ours when interest rates fall.

#### **3.20.11 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.

#### **3.21. Segment reporting:**

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and

for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

### **3.22. Corporate Social Responsibility (CSR)**

The company has constituted CSR Committee and has undertaken CSR activities in accordance with Schedule VII to the Companies Act, 2013 mainly through Muthoot M George Foundation. Muthoot M George Foundation, a public charitable trust formed under Indian Trust Act, 1882 having registration under section 12 AA of the Income Tax Act, 1961.

**Note 4. Cash and Cash equivalents**

Particulars	As at 31st March 2025	As at 31st March 2024
Cash On Hand	153.75	168.15
Balance With Banks	-	-
-in Current Account	1,002.26	658.53
-in fixed deposit (maturing within a period of three months)	445.32	-
	<b>1,601.33</b>	<b>826.68</b>

**Note 5. Bank balance other than Cash and Cash equivalents**

Particulars	As at 31st March 2025	As at 31st March 2024
Fixed Deposit With Banks (Maturing above 3 Months)	624.80	444.59
Unclaimed Dividend	0.02	0.02
Balance for Listed NCD	5.00	5.00
Balance for DMT	-	47.34
Unpaid (Unclaimed) interest and redemption proceeds on Non - Convertible Debentures	5.11	27.31
	<b>634.93</b>	<b>524.27</b>

**Note 6. Loans**

Particulars	As at 31st March 2025	As at 31st March 2024
<b>At amortised Cost</b>		
<b>(A) Loans</b>		
I Vehicle Loan	16,348.74	21,351.19
II Business Loan	30.31	51.65
III Gold Loan	11,421.97	5,030.75
III Personal Loan	119.03	68.48
IV Loan against Deposit	34.19	57.90
V Mortgage Loan	58.25	154.07
VI Corporate Loans	1,643.56	2,228.48
<b>Total (A Gross)</b>	<b>29,656.04</b>	<b>28,942.52</b>
Less: Impairment Loss Allowance	889.60	992.11
<b>Total (A Net)</b>	<b>28,766.44</b>	<b>27,950.41</b>
<b>(B)</b>		
I Loan to Related Parties	178.77	126.86
II Loan to Others	29,477.26	28,815.66
<b>Total (B Gross)</b>	<b>29,656.04</b>	<b>28,942.52</b>
Less: Impairment Loss Allowance	889.60	992.11
<b>Total (B Net)</b>	<b>28,766.44</b>	<b>27,950.41</b>
<b>(C)</b>		
<b>I - Secured</b>		
By tangible Assets	29,090.18	27,981.65
By Intangible Assets	-	-
<b>II Covered By Bank/ Govt Guarantee</b>	-	-
<b>III Covered By Deposits</b>	34.19	57.90
<b>IV -Un-Secured</b>	531.67	902.98
<b>Total (C Gross)</b>	<b>29,656.04</b>	<b>28,942.52</b>
Less: Impairment Loss Allowance	889.60	992.11
<b>Total (C Net)</b>	<b>28,766.44</b>	<b>27,950.41</b>
<b>(D)</b>		
<b>I Loans in India</b>		
- Public Sector	-	-
- Others	29,656.04	28,942.52
<b>II Loans Outside India</b>	-	-
<b>Total (D Gross)</b>	<b>29,656.04</b>	<b>28,942.52</b>
Less: Impairment Loss Allowance	889.60	992.11
<b>Total (D Net)</b>	<b>28,766.44</b>	<b>27,950.41</b>

Credit Quality of Assets

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company’s internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

₹ in Lakhs

Particulars	As at 31st March, 2025				As at 31st March, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	26,365.56			26,365.56	25,714.45			25,714.45
Standard grade	744.67			744.67	1,031.80			1,031.80
Sub-standard grade		616.98		616.98		676.60		676.60
Past due but not impaired		164.00		164.00		190.60		190.60
Non- performing								
Individually impaired			1,764.83	1,764.83			1,329.08	1,329.08
Total	27,110.23	780.97	1,764.83	29,656.04	26,746.25	867.20	1,329.08	28,942.53



An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to receivables under financing activities is, as follows:

₹ in Lakhs

Particulars	Gross carrying Amount							
	As at 31st March, 2025				As at 31st March, 2024			
Stages	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	26,746.25	867.20	1,329.08	28,942.53	22,184.34	694.81	1,349.11	24,228.26
New assets originated or purchased	18,248.86			18,248.86	23,104.33			23,104.33
Assets repaid (excluding write offs)	(16,325.84)	(423.02)	(501.68)	(17,250.55)	(17,185.58)	(384.97)	(546.52)	(18,117.07)
Transfers to Stage I	122.92	(84.04)	(38.88)	-	170.04	(63.10)	(106.93)	-
Transfers to Stage II	(700.41)	710.00	(9.59)	-	(760.09)	778.42	(18.33)	-
Transfers to Stage III	(981.54)	(289.17)	1,270.70	-	(766.79)	(157.96)	924.75	-
Amounts written off			(284.81)	(284.81)			(273.00)	(273.00)
Balance at the end of the year	27,110.23	780.97	1,764.83	29,656.04	26,746.25	867.20	1,329.08	28,942.53

Reconciliation of ECL Balance is given below:

Particulars	Expected Credit Loss (ECL)							
	As at 31st March, 2025				As at 31st March, 2024			
Stages	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Balance at the beginning of the year	389.24	34.37	568.47	992.09	466.73	31.52	626.72	1,124.96
New assets originated or purchased	264.11			264.11	486.09			486.09
Assets repaid (excluding write offs)	(236.28)	(16.77)	(214.58)	(467.63)	(358.54)	(17.46)	(253.88)	(629.88)
Transfers to Stage I	19.96	(3.33)	(16.63)	-	52.54	(2.86)	(49.67)	-
Transfers to Stage II	(10.14)	14.24	(4.10)	-	(15.99)	24.51	(8.51)	-
Transfers to Stage III	(14.21)	(11.46)	25.67	-	(16.13)	(7.16)	23.30	-
Impact on year end ECL of exposures transferred between stages during the year	(199.51)	(6.54)	591.89	385.84	(225.45)	5.83	503.53	283.91
Amounts written off			(284.81)	(284.81)	-	-	(273.00)	(273.00)
Balance at the end of the year	213.19	10.50	665.91	889.60	389.24	34.37	568.47	992.09

**Note 7. Investments**

As at 31st March 2025									
Particulars	No of Units	Face value per unit	Face Value (₹ in Lakhs)	Amortised Cost (₹ in Lakhs)	Through OCI	Through P&L	At fair Value Designated at fair value through profit or loss	Sub Total	Total (₹ in Lakhs)
<b>1. Investment In Government Securities (Quoted)</b>									
08.26% GOI Bonds	1,00,000	100.00	100.00	100.20	-	-	-	-	100.20
08.26% GOI Bonds	1,00,000	100.00	100.00	99.05	-	-	-	-	99.05
08.26% GOI Bonds	1,00,000	100.00	100.00	99.30	-	-	-	-	99.30
08.26% GOI Bonds	1,00,000	100.00	100.00	97.80	-	-	-	-	97.80
07.20% KSDL Bonds	60,000	100.00	60.00	59.94	-	-	-	-	59.94
07.59% KSDL Bonds	1,00,000	100.00	100.00	100.25	-	-	-	-	100.25
07.20% WSDL Bonds	35,000	100.00	35.00	35.07	-	-	-	-	35.07
07.19% KSDL Bonds	17,000	100.00	17.00	17.03	-	-	-	-	17.03
07.55% MPSDL Bonds	1,00,000	100.00	100.00	99.85	-	-	-	-	99.85
07.77% WSDL Bonds	81,000	100.00	81.00	80.92	-	-	-	-	80.92
07.18% MSDL Bonds	1,20,000	100.00	120.00	114.48	-	-	-	-	114.48
07.17% MSDL Bonds	50,000	100.00	50.00	50.25	-	-	-	-	50.25
07.74% ANDHAR PRADESH SDL	1,00,000	100.00	100.00	102.75	-	-	-	-	102.75
07.81% UTTAR PRADESH SGS	30,000	100.00	30.00	30.97	-	-	-	-	30.97
08.84% JHARKHAND SDL	1,00,000	100.00	100.00	105.58	-	-	-	-	105.58
08.83% RAJASTHAN STATE GOV SDL	1,00,000	100.00	100.00	104.81	-	-	-	-	104.81
07.70% MAHARASHTRA STATE GOVERNMENT SDL	1,00,000	100.00	100.00	104.75	-	-	-	-	104.75
07.23% KARNATAKA SDL	1,00,000	100.00	100.00	101.55	-	-	-	-	101.55
07.29% ANDHRA PRADESH SGS	50,000	100.00	50.00	50.53	-	-	-	-	50.53
07.27% MAHARASHTRA SDL	50,000	100.00	50.00	50.48	-	-	-	-	50.48
<b>Total</b>	<b>15,93,000</b>	<b>2,000</b>	<b>1,593</b>	<b>1,605.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,605.55</b>
<b>2. Investments In Other Approved Securities (Unquoted)</b>									
National Saving Certificate	-	-	-	0.10	-	-	-	-	0.10
Treasury Deposit	-	-	-	1.00	-	-	-	-	1.00
Treasury Deposit	-	-	-	1.00	-	-	-	-	1.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.10</b>
<b>3. Investments in Mutual Fund</b>									
SBI Overnight Fund Direct Growth	6	4,153.30	0.23	0.23	-	-	0.23	-	0.23
SBI Savings Fund Direct Growth	8,49,080	43.60	370.23	364.68	-	-	370.23	-	370.23
ICICI Prudential Mutual Fund-Ultra Short term Fund	46,589	29.36	13.68	13.53	-	-	13.68	-	13.68
ICICI Prudential Mutual Fund-Overnight Fund	30,575	1,375.93	420.69	418.99	-	-	420.69	-	420.69
PGIM India Liquid Fund-Direct Plan	21,583	338.30	73.01	70.06	-	-	73.01	-	73.01
PGIM India Ultra Short Duration Fund-Direct Plan-Growth	637.31	34.96	0.22	0.22	-	-	0.22	-	0.22
PGIM India Overnight Fund-Direct Plan-Growth	26,645	1,317.66	351.09	349.75	-	-	351.09	-	351.09
<b>Total</b>	<b>9,75,113</b>		<b>1229.15</b>	<b>1217.46</b>	<b>-</b>	<b>-</b>	<b>1229.15</b>	<b>-</b>	<b>1,229.15</b>
<b>Total Investments</b>	<b>25,68,113</b>		<b>2,822.15</b>	<b>2,825.11</b>	<b>-</b>	<b>-</b>	<b>1,229.15</b>	<b>-</b>	<b>2,836.81</b>
1. Investments									
In India	<b>25,68,113</b>	-	<b>2,822.15</b>	<b>2,825.11</b>	-	-	-	-	<b>2,836.81</b>
Outside India	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	<b>25,68,113</b>	-	<b>2,822.15</b>	<b>2,825.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,836.81</b>

As at 31st March 2024									
Particulars	No of Units	Face value per unit	Face Value (₹ in Lakhs)	Amortised Cost (₹ in Lakhs)	Through OCI	Through P&L	At fair Value Designated at fair value through profit or loss	Sub Total	Total (₹ in Lakhs)
<b>1. Investment In Government Securities (Quoted)</b>									
08.26% GOI Bonds	1,00,000	100.00	100.00	100.20	-	-	-	-	100.20
08.26% GOI Bonds	1,00,000	100.00	100.00	99.05	-	-	-	-	99.05
08.26% GOI Bonds	1,00,000	100.00	100.00	99.30	-	-	-	-	99.30
08.26% GOI Bonds	1,00,000	100.00	100.00	97.80	-	-	-	-	97.80
7.20% KSDL Bonds	60,000	100.00	60.00	59.94	-	-	-	-	59.94
7.59% KSDL Bonds	1,00,000	100.00	100.00	100.25	-	-	-	-	100.25
7.20% WSDL Bonds	35,000	100.00	35.00	35.07	-	-	-	-	35.07
7.19% KSDL Bonds	17,000	100.00	17.00	17.03	-	-	-	-	17.03
7.55% MPSDL Bonds	1,00,000	100.00	100.00	99.85	-	-	-	-	99.85
7.77% WSDL Bonds	81,000	100.00	81.00	80.92	-	-	-	-	80.92
8.25% BSDL Bonds	10,000	100.00	10.00	9.93	-	-	-	-	9.93
7.18% MSDL Bonds	1,20,000	100.00	120.00	114.48	-	-	-	-	114.48
7.17% MDSL Bonds	50,000	100.00	50.00	50.25	-	-	-	-	50.25
<b>Total</b>	<b>9,73,000</b>	<b>1,300</b>	<b>973.00</b>	<b>964.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>964.07</b>
<b>2. Investments In Other Approved Securities (Unquoted)</b>									
National Saving Certificate	-	-	-	0.10	-	-	-	-	0.10
Treasury Deposit	-	-	-	0.10	-	-	-	-	0.10
Treasury Deposit	-	-	-	0.50	-	-	-	-	0.50
Treasury Deposit	-	-	-	1.00	-	-	-	-	1.00
Treasury Deposit	-	-	-	1.00	-	-	-	-	1.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.70</b>
<b>3. Investments in Mutual Fund</b>									
SBI Liquid Fund Direct Growth	9,397	3,888.00	365.35	-	-	-	366.08	-	366.08
ICICI Prudential Mutual Fund-Ultra Short term Fund	2,81,933	26.78	75.51	-	-	-	76.77	-	76.77
ICICI Prudential Mutual Fund-Overnight Fund	19,978	1,289.12	257.54	-	-	-	257.83	-	257.83
<b>Total</b>	<b>3,11,308</b>		<b>698.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700.68</b>	<b>-</b>	<b>700.68</b>
<b>Total Investments</b>	<b>12,84,308</b>		<b>1,671.40</b>	<b>966.77</b>	<b>-</b>	<b>-</b>	<b>700.68</b>	<b>-</b>	<b>1,667.45</b>
<b>1. Investments</b>									
In India	<b>12,84,308</b>	-	<b>1,671.40</b>	<b>966.77</b>	-	-	-	-	1,667.45
Outside India	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	<b>12,84,308</b>		<b>1,671.40</b>	<b>966.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,667.45</b>

**Note 8. Other Financial Assets**

Particulars	As at 31st March 2025	As at 31st March 2024
Security deposits	90.29	83.01
Other financial assets	50.16	32.11
Trade Advance	-	143.79
	<b>140.46</b>	<b>258.92</b>

**Note 9. Current Tax Assets (Net)**

Particulars	As at 31st March 2025	As at 31st March 2024
Advance tax and tax deducted at source (net of provisions)	53.57	-
<b>Closing Balance</b>	<b>53.57</b>	<b>-</b>

**Note 10. Investment Property**

Particulars	Building
<b>Gross block- at cost</b>	
As at April 01, 2023	21.59
Additions	-
Disposals	-
<b>As at March 31,2024</b>	<b>21.59</b>
Additions	-
Disposals	-
<b>As at March 31,2025</b>	<b>21.59</b>
<b>Accumulated depreciation</b>	
As at April 01, 2023	10.76
Disposals	-
Charge for the period	-
<b>As at March 31,2024</b>	<b>10.76</b>
Disposals	-
Charge for the period	1.79
<b>As at March 31,2025</b>	<b>12.55</b>
<b>Net book value:</b>	
As at April 01, 2023	10.83
As at March 31,2024	10.83
As at March 31,2025	9.04

**Note 11. Property, Plant and Equipment/ Intangible Assets****(A) Property, Plant and Equipment**

Particulars	As at 01/04/2024	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
		Additions	Disposals	As at 31/03/2025	As at 01/04/2024	For the Year	Disposals	As at 31/03/2025	As at 31/03/2025	As at 31/03/2024
Land	9.01	-	-	9.01	-	-	-	-	9.01	9.01
Building	283.62	-	-	283.62	57.31	4.33	-	61.64	221.99	226.31
Furniture and Fixtures	159.80	12.44	-	172.24	113.11	8.36	-	121.46	50.78	46.69
Electrical Fittings	137.44	19.19	3.63	153.00	75.20	9.52	2.92	81.79	71.21	62.25
Office Equipments	31.20	3.30	-	34.50	16.71	4.37	-	21.08	13.42	14.48
Vehicles	38.57	-	-	38.57	38.57	-	-	38.57	-	-
Computer	162.49	15.08	1.32	176.26	141.56	12.38	1.28	152.66	23.60	20.93
Temporary Partitions	306.02	44.97	-	350.99	283.85	23.93	-	307.78	43.21	22.18
Total	<b>1,128.16</b>	<b>94.97</b>	<b>4.94</b>	<b>1,218.19</b>	<b>726.30</b>	<b>62.88</b>	<b>4.20</b>	<b>784.98</b>	<b>433.20</b>	<b>401.86</b>

Particulars	As at 01/04/2023	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
		Additions	Disposals	As at 31/03/2024	As at 01/04/2023	For the Year	Disposals	As at 31/03/2024	As at 31/03/2024	As at 31/03/2023
Land	9.01	-	-	9.01	-	-	-	-	9.01	9.01
Building	283.62	-	-	283.62	52.97	4.34	-	57.31	226.31	230.65
Furniture and Fixtures	145.04	15.07	0.31	159.80	105.79	7.47	0.15	113.11	46.69	39.25
Electrical Fittings	130.63	9.22	2.40	137.44	68.41	8.48	1.69	75.20	62.25	62.22
Office Equipments	29.80	2.95	1.55	31.20	14.36	3.82	1.47	16.71	14.48	15.44
Vehicles	38.57	-	-	38.57	38.57	-	-	38.57	-	-
Computer	155.70	13.15	6.35	162.49	138.05	9.12	5.62	141.56	20.93	17.64
Temporary Partitions	277.61	28.42	-	306.02	246.78	37.07	-	283.85	22.18	30.82
Total	<b>1,069.97</b>	<b>68.80</b>	<b>10.61</b>	<b>1,128.16</b>	<b>664.94</b>	<b>70.30</b>	<b>8.94</b>	<b>726.30</b>	<b>401.86</b>	<b>405.03</b>

**(B) Intangible Asset**

Particulars	As at 01/04/2024	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
		Additions	Disposals	As at 31/03/2025	As at 01/04/2024	For the Year	Disposals	As at 31/03/2025	As at 31/03/2025	As at 31/03/2024
Software	79.44	-	-	79.44	77.88	0.74	-	78.62	0.83	1.57
Total	<b>79.44</b>	<b>-</b>	<b>-</b>	<b>79.44</b>	<b>77.88</b>	<b>0.74</b>	<b>-</b>	<b>78.62</b>	<b>0.83</b>	<b>1.57</b>

Particulars	As at 01/04/2023	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
		Additions	Disposals	As at 31/03/2024	As at 01/04/2023	For the Year	Disposals	As at 31/03/2024	As at 31/03/2024	As at 31/03/2023
Software	78.16	1.28	-	79.44	74.00	3.87	-	77.88	1.57	4.16
Total	<b>78.16</b>	<b>1.28</b>	<b>-</b>	<b>79.44</b>	<b>74.00</b>	<b>3.87</b>	<b>-</b>	<b>77.88</b>	<b>1.57</b>	<b>4.16</b>

**Note 12. Other Non - Financial Assets**

Particulars	As at 31st March 2025	As at 31st March 2024
Asset acquired in satisfaction of debt	699.94	606.97
Reposessed Assets	194.45	177.67
Income Tax Refund Due	76.08	76.08
Other Advances	62.62	64.74
Contribution To Gratuity Fund	9.53	6.69
<b>Total</b>	<b>1,042.62</b>	<b>932.14</b>

**Note 13. Trade Payables**

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Total outstanding dues of micro enterprises and small enterprises</b>		
Trade Payables for expenses	4.15	-
<b>Total outstanding dues of creditors other than micro enterprises and small</b>		
Trade Payables for expenses	26.34	42.60
<b>Closing Balance</b>	<b>30.49</b>	<b>42.60</b>

**Note 14. Other Payables**

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Total outstanding dues of micro enterprises and small enterprises</b>		
Expense for Capital Goods Payable	11.02	-
<b>Total outstanding dues of creditors other than micro enterprises and small</b>		
Expense for Capital Goods Payable	-	0.92
<b>Closing Balance</b>	<b>11.02</b>	<b>0.92</b>

**Note 14.1 Trade and Other Payables Ageing Schedule**

Particulars	As at 31st March 2025				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	15.17	-	-	-	15.17
(i) Others	25.12	0.69	-	0.54	26.34
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at 31st March 2024				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME					-
(i) Others	42.39	0.59		0.54	43.52
(iii) Disputed dues - MSME					-
(iv) Disputed dues - Others					-

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

Particulars	As at 31st March 2025	As at 31st March 2024
The principal amount remaining unpaid to any supplier as at the end of the year	15.17	-
The interest due on the principal remaining outstanding as at the end of the year	0.12	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	0.12	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

**Note 15. Debt Securities**

Particulars	As at 31st March 2025			
	At Amortised Cost	At fair value through P&L	Designated at fair value through profit or loss	Total
<b>Secured Redeemable NCD Privately Placed</b> (Secured by paripassu floating charge on book debts and Current Receivables)	-	-	-	-
<b>Secured Non Convertible Debentures Listed*</b> (Secured by paripassu floating charge on book debts and Current Receivables)	2,391.10	-	-	2,391.10
<b>Total</b>	<b>2,391.10</b>	<b>-</b>	<b>-</b>	<b>2,391.10</b>
Debt Securities				
In India	2,391.10	-	-	2,391.10
Outside India	-	-	-	-
<b>Total</b>	<b>2,391.10</b>	<b>-</b>	<b>-</b>	<b>2,391.10</b>

\*Includes EIR impact of transaction cost

Particulars	As at 31st March 2024			
	At Amortised Cost	At fair value through P&L	Designated at fair value through profit or loss	Total
<b>Secured Redeemable NCD Privately Placed</b> (Secured by paripassu floating charge on book debts and Current Receivables)	-	-	-	-
<b>Secured Non Convertible Debentures Listed*</b> (Secured by paripassu floating charge on book debts and Current Receivables)	8,769.10	-	-	8,769.10
<b>Total</b>	<b>8,769.10</b>	<b>-</b>	<b>-</b>	<b>8,769.10</b>
Debt Securities				
In India	8,769.10	-	-	8,769.10
Outside India	-	-	-	-
<b>Total</b>	<b>8,769.10</b>	<b>-</b>	<b>-</b>	<b>8,769.10</b>

\*Includes EIR impact of transaction cost

**Note 15.1. Secured Redeemable Non-Convertible Debentures**
**a) Public Issue**

The principal amount of outstanding Secured Redeemable Non-Convertible Listed Debentures raised through Public Issue stood at Rs.2,402.82 Lakhs (March 31, 2024 Rs.8,805.03 Lakhs).

Series	Date of Allotment	31-03-2025	31-03-2024	Redemption period from the date of allotment	Interest Rate %
Secured NCD's	17-03-2020	0.10	0.10	24 Months	9.25%
	17-03-2020	1.00	1.00	24 Months	9.25%
	17-03-2020	-	-	24 Months	9.50%
	17-03-2020	-	-	38 Months	9.50%
	17-03-2020	-	-	38 Months	9.50%
	17-03-2020	0.10	0.10	38 Months	9.75%
	17-03-2020	-	2,948.23	60 Months	9.75%
	17-03-2020	-	831.44	60 Months	9.75%
	17-03-2020	-	2,621.34	60 Months	10.00%
	17-03-2020	2,402.82	2,402.82	90 Months	9.67%
Total		<b>2,404.02</b>	<b>8,805.03</b>		
Less:					
Unpaid/(Unliamed) matured Listed Non Convertible debentures shown as a part of Other Financial Liabilities		1.20	1.20		
EIR Impact		(11.72)	(34.73)		
Total		<b>2,391.10</b>	<b>8,769.10</b>		

**Note 16. Deposits**

Particulars	At 31 March 2025			
	At Amortised Cost	At fair value through Profit or Loss	Designated at fair value through Profit or Loss	Total
Public Deposit	15,564.59	-	-	15,564.59
From Others	-	-	-	-
Directors & Relatives**	388.90	-	-	388.90
Inter Corporate Deposit*	3,024.79	-	-	3,024.79
<b>Total</b>	<b>18,978.28</b>	<b>-</b>	<b>-</b>	<b>18,978.28</b>

Particulars	At 31 March 2024			
	At Amortised Cost	At fair value through Profit or Loss	Designated at fair value through Profit or Loss	Total
Public Deposit	8,447.70	-	-	8,447.70
From Others	-	-	-	-
Directors & Relatives **	67.74	-	-	67.74
Inter Corporate Deposit*	2,298.54	-	-	2,298.54
<b>Total</b>	<b>10,813.98</b>	<b>-</b>	<b>-</b>	<b>10,813.98</b>

\*Includes EIR impact

\*\* Includes deposits from :

Related parties

Directors & Relatives at the time of acceptance of deposit

**Maturity of Deposits**

Particulars	As at 31 March 2025					
	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
From Public	1,874.63	3,789.14	8,548.60	511.97	840.25	15,564.59
From Others	-	-	-	-	-	-
From Directors & Relatives	-	82.40	306.50	-	-	388.90
Inter Corporate Deposit	2,374.79	650.00	-	-	-	3,024.79
<b>Total</b>	<b>4,249.42</b>	<b>4,521.54</b>	<b>8,855.10</b>	<b>511.97</b>	<b>840.25</b>	<b>18,978.28</b>

Particulars	As at 31 March 2024					
	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	Total
From Public	4,021.71	1,081.72	2,817.78	39.93	486.56	8,447.70
From Others	-	-	-	-	-	-
From Directors & Relatives	-	-	67.74	-	-	67.74
Inter Corporate Deposit	574.64	1,723.90	-	-	-	2,298.54
<b>Total</b>	<b>4,596.35</b>	<b>2,805.62</b>	<b>2,885.52</b>	<b>39.93</b>	<b>486.56</b>	<b>10,813.98</b>



**Note 17. Other Financial Liabilities**

Particulars	At Amortised cost	
	As at 31st March 2025	As at 31st March 2024
Interest Accrued but not Due		
On Bank Borrowings	-	-
On Deposits	277.21	163.71
On Debentures	1,424.39	1,477.31
On ICD	143.58	114.98
Unpaid Dividend	0.02	0.02
Matured But Not claimed Deposits	-	-
From Public	62.58	79.61
Interest Due on Matured but not paid Deposit	0.41	1.00
Unpaid (Unclaimed) interest and redemption proceeds on Non - Convertible Debentures	5.11	27.31
Prepaid Instruments	-	53.39
Prefunding for Mobile wallet	-	3.72
Other Financial Liabilities	76.56	99.43
<b>Total</b>	<b>1,989.88</b>	<b>2,020.48</b>

**Note 18. Provisions**

Particulars	As at 31st March 2025	As at 31st March 2024
Provision for Festival Bonus	16.67	14.84
Provision for Leave Encashment	51.56	34.56
<b>Total</b>	<b>68.22</b>	<b>49.40</b>

**Note 19. Deferred Tax Assets (Net) and Tax Expense**

Particulars	As at 31st March 2025	As at 31st March 2024
Current tax	348.07	381.25
Deferred tax	(42.55)	0.67
Income Tax of Prior Period	(46.15)	(17.92)
<b>Income tax expense reported in statement of profit and loss</b>	<b>259.38</b>	<b>364.00</b>
Income tax recognised in other comprehensive income		
Remeasurement of defined benefit plans	5.21	2.36
<b>Income tax charged to OCI</b>	<b>5.21</b>	<b>2.36</b>

**Reconciliation of the total tax charge:**

The tax charge shown in the statement of profit and loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate of 25.168%.A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2025 and year ended March 31, 2024 are as follows:

Particulars	As at 31st March 2025	As at 31st March 2024
Accounting profit before tax	1,494.95	1,593.26
Statutory income tax rate of 25.168%	376.25	400.99
Adjustments in respect of current income tax of previous year	(46.15)	(17.92)
Expenses disallowed in Income Tax Act, 1961	(20.27)	(21.93)
Effect of derecognition of previously recognised deferred tax assets	-	-
Additional deduction under Income tax act	(26.43)	2.18
Others	(24.03)	0.67
<b>Income tax expense reported in the statement of profit or loss</b>	<b>259.38</b>	<b>364.00</b>

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

Deferred Tax Assets/(Liabilities)	As at 31st March 2025	As at 31st March 2024
Fixed asset: Timing difference on account of Depreciation and Amortisation	13.44	10.55
On application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109 and amortisation of net income under EIR method	167.60	141.52
On amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961	27.39	20.25
On other provisions	10.58	(1.08)
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<b>219.00</b>	<b>171.24</b>

**Reconciliation of deferred tax assets/(liabilities)**

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance	171.24	169.55
Tax income/(expense) during the period recognised in profit or loss	42.55	(0.67)
Tax income/(expense) during the period recognised in OCI	5.21	2.36
<b>Closing balance</b>	<b>219.00</b>	<b>171.24</b>

**Note 20. Other Non- Financial Liabilities**

Particulars	As at 31st March 2025	As at 31st March 2024
Statutory Dues Payable	137.77	83.31
Interest Received From Loans In Advance	-	-
Advance received - Asset acquired in Satisfaction of debt	-	-
Other Advances	4.54	3.55
<b>Total</b>	<b>142.31</b>	<b>86.86</b>

**Note 21. Equity Share Capital****21.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period**

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Authorised</b>		
2,50,00,000 Equity Shares of Rs.10 each	2,500.00	2,500.00
<b>Issued, subscribed and fully paid up</b>		
2,50,00,000 Equity Shares of Rs.10 each	2,500.00	2,500.00
<b>Total Equity</b>	<b>2,500.00</b>	<b>2,500.00</b>

**21.2 Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the period**

Particulars	As at 31st March 2025	As at 31st March 2024
No of Shares O/s at the Beginning of the Year	250.00	250.00
Amount of Share Capital	2,500.00	2,500.00
No of Shares Issued During the Year	-	-
Amount of Shares Issued During the Year	-	-
No of Shares O/s at the end of the Year	250.00	250.00
Amount of Share Capital	2,500.00	2,500.00

**21.3 Terms/ rights attached to equity shares**

The Company has only one class of equity shares having face value 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. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shared held by the shareholders.

**21.4 Details of Equity shareholders holding more than 5% shares in the company**

Particulars	As at 31st March 2025	
	No of Shares	% of holding
George Thomas Muthoot	50.00	20.00
George Jacob Muthoot	50.00	20.00
George Alexander Muthoot	50.55	20.22
Sara George	20.52	8.21
Alexander George	20.52	8.21
George M George	20.52	8.21

Particulars	As at 31st March 2024	
	No of Shares	% of holding
George Thomas Muthoot	50.00	20.00
George Jacob Muthoot	50.00	20.00
George Alexander Muthoot	50.46	20.19
Sara George	20.52	8.21
Alexander George	20.52	8.21
George M George	20.52	8.21

**Details of Shares held by promoters**

Particulars	As at 31st March 2025	
	No of Shares	% of holding
George Thomas Muthoot	50.00	20.00
George Jacob Muthoot	50.00	20.00
George Alexander Muthoot	50.55	20.22
Anna Alexander	11.53	4.61

Particulars	As at 31st March 2024	
	No of Shares	% of holding
George Thomas Muthoot	50.00	20.00
George Jacob Muthoot	50.00	20.00
George Alexander Muthoot	50.46	20.19
Anna Alexander	11.53	4.61

## Note 22. Other Equity

Particulars	As at 31st March 2025	As at 31st March 2024
<b>Statutory Reserve</b>		
Balance at the beginning of the year	2,767.41	2,521.56
Add: Transfer from Retained earnings	247.11	245.85
<b>Balance at the end of the Year</b>	<b>3,014.53</b>	<b>2,767.41</b>
<b>General Reserve</b>		
Balance at the beginning of the year	-	-
Balance at the beginning of the year	86.40	86.40
Add: Transfer from DRR	-	-
<b>Balance at the end of the Year</b>	<b>86.40</b>	<b>86.40</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	-	-
Balance at the beginning of the year	5,583.03	4,599.61
Add: Profit for the Year	1,235.57	1,229.27
Less: Final Dividend Paid	-	-
Less: Dividend Distribution Tax	-	-
Less: Transfer to Statutory Reserve - 20%	247.11	245.85
<b>Balance at the end of the Year</b>	<b>6,571.49</b>	<b>5,583.03</b>
<b>Other Comprehensive Income</b>		
<i>Remeasurement of defined benefit Plan</i>	-	-
Balance at the beginning of the year	-	-
Balance at the beginning of the year	(30.01)	(22.99)
Add: Addition during the Year	(20.70)	(9.38)
Less: Income Tax on OCI	5.21	2.36
Balance at the end of the Year	<b>(45.50)</b>	<b>(30.01)</b>
<b>Total</b>	<b>9,626.92</b>	<b>8,406.83</b>

### Nature and purpose of other equity

#### **1. Statutory Reserve**

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly, an amount representing 20% of Profit for the period is transferred to the fund for the year.

#### **2. Retained Earnings**

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

#### **3. Debenture Redemption Reserve**

MCA wide its notification dated 16th August 2019 exempted NBFCs registered with RBI under section 45 IA of the Reserve Bank of India Act, 1934 from creation of Debenture Redemption Reserve for both privately placed debentures and public issue of Debentures

#### **4. General Reserve**

General Reserve represents amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per the Companies Act 2013.

**Revenue From Operation**

**Note 23. Interest Income**

Particulars	Year ended March 31, 2025			Year ended March 31, 2024		
	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	On Financial asset measured at fair value through OCI	On Financial asset measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss
Interest On Loans	-	4,976.17	-	-	4,652.48	-
Interest Income From Investments	-	96.46	-	-	78.18	-
Interest on Deposits with banks	-	284.45	-	-	139.21	-
<b>Total</b>	-	5,357.08	-	-	4,869.87	-

**Note 24. Net Gain on Fair Value Changes**

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Net Gain on Fair Value Changes	90.97	154.36
<b>Total</b>	<b>90.97</b>	<b>154.36</b>
<b>Fair Value Changes:</b>		
Realised	73.88	17.42
Unrealised	17.09	136.95
<b>Total</b>	<b>90.97</b>	<b>154.36</b>

**Note 25. Other Income**

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Bad Debts recovered	593.62	704.39
Profit on sale of Investment	0.08	0.16
Credit balance Written back - PPI	56.51	-
Miscellaneous Income	0.74	0.84
<b>Total</b>	<b>650.94</b>	<b>705.39</b>

**Note 26. Finance Cost**

Particulars	On financial liabilities measured at amortised cost	
	Year ended 31st March 2025	Year ended 31st March 2024
Interest on Deposit	1,018.57	614.18
Interest on ICD	230.54	126.29
Interest on borrowings	-	-
- from Directors and Relatives	-	-
- From Banks	0.00	11.50
Interest on debt securities	999.74	1,077.95
Interest On Income Tax	2.54	-
Interest On MSME	0.12	-
<b>Total</b>	<b>2,251.52</b>	<b>1,829.93</b>

**Note 27. Fees and Commission Expense**

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
<b>Fees and Commission Others</b>		
Transaction Fee	0.21	0.16
Commission Paid to Directors	12.50	13.10
<b>Total</b>	<b>12.71</b>	<b>13.26</b>

**Note 28. Impairment on Financial Instruments**

Particulars	On financial liabilities measured at amortised cost	
	Year ended 31st March 2025	Year ended 31st March 2024
Bad Debt Written off	335.74	239.78
Loan Asset	(102.51)	(132.87)
<b>Total</b>	<b>233.24</b>	<b>106.92</b>

**Note 29. Employee Benefit Expense**

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Salaries and Allowance		
Salaries and Allowance	1,408.09	1,347.76
Staff Incentive	235.70	210.97
Contributions to Provident and Other Funds	147.86	152.15
Staff welfare expenses	6.50	12.52
<b>Total</b>	<b>1,798.16</b>	<b>1,723.40</b>

**Note 30. Depreciation, amortization and impairment**

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Depreciation of Tangible Assets	62.88	70.30
Amortization of Intangible Assets	0.74	3.87
Depreciation of Investment Property	1.79	-
<b>Total</b>	<b>65.41</b>	<b>74.17</b>

**Note 31. Other Expenses**

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Rent, Taxes and Energy Costs	164.97	141.77
Processing Charge - ICD	-	2.50
Repairs and Maintenance	21.63	16.44
Communication Expenses	19.88	19.86
Printing and Stationery	9.67	13.14
Advertisement and Publicity	6.64	8.32
Director's fees, allowances and expenses	14.60	14.60
Auditor's fees and expenses	7.06	6.36
Legal & Professional charges	65.73	75.96
Outsourcing Expenses	221.98	211.66
Insurance	39.04	19.51
Rates and taxes	68.61	59.78
Penalty	8.93	0.63
Travelling and Conveyance Expense	8.28	47.32
Bank charges	9.86	6.69
CSR Expense	15.82	-
Other expenditure	15.44	4.71
<b>Total</b>	<b>698.14</b>	<b>649.25</b>

### 31.1 Auditor's fees and Expenses

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Payment to the Auditors:		
(i) As Auditor's (including limited review)	5.95	4.50
(ii) For Other Services	1.11	1.86
<b>Total</b>	<b>7.06</b>	<b>6.36</b>

### 31.2 Expenditure on Corporate Social Responsibility

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
a) Gross amount required to be spent by the Company during the year	-	-
b) Amount spent during the period	-	-
i) Construction/acquisition of any asset	-	-
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purpose other than (i) above -	-	-
- In cash	15.82	-
- Yet to be paid in cash	-	-
<b>Total</b>	<b>15.82</b>	<b>-</b>

### Note 32. Earnings per share

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Net profit attributable to ordinary equity holders	1,235.57	1,229.27
Weighted average number of ordinary shares for basic earnings per share	250.00	250.00
Effect of dilution:	-	-
Weighted average number of ordinary shares adjusted for effect of dilution	250.00	250.00
Earning per share (Basic) (Rs.)	<b>4.94</b>	<b>4.92</b>
Earning per share (Diluted) (Rs.)	<b>4.94</b>	<b>4.92</b>

### Note 33. Current Tax Liabilities (Net)

Particulars	Year ended 31st March 2025	Year ended 31st March 2024
Advance tax and tax deducted at source (net of provisions)	-	55.20
<b>Closing Balance</b>	<b>-</b>	<b>55.20</b>



#### Note 34. Retirement Benefit Plan

##### Defined Contribution Plan

Eligible employees of the Company receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to Statement of Profit and Loss in the period in which they are incurred:

Particulars	For the period ended 31st March , 2025	For the period ended 31st March , 2024
Contributions to Provident and Other Funds	107.61	123.88

##### Defined Benefit Plan

In accordance with the payment of gratuity under 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan covering eligible employees. Liability with regard to such gratuity is determined by an independent actuarial valuation using the Projected Unit Credit method and is charged to the Statement of Profit and Loss in the year. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet

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.

##### Net liability/(assets) recognised in the Balance Sheet

Particulars	As at 31 March, 2025	As at 31 March, 2024
Present value of obligations	101.37	78.14
Fair value of planned assets	155.78	117.01
Defined Benefit obligation/(asset)	(54.41)	(38.87)
Asset Ceiling	44.88	32.17
<b>Net liability/(assets) recognised in the Balance Sheet</b>	<b>(9.53)</b>	<b>(6.69)</b>

##### Post employment defined benefit plan

Net benefit expense recognised in statement of profit and loss	As at 31 March, 2025	As at 31 March, 2024
Current service cost	11.56	8.64
Interest cost on benefit obligation	5.39	3.89
Interest cost on Asset Ceiling	2.22	2.56
Expected return on plan assets	(8.85)	(7.64)
Actuarial Loss/(Gain)	-	-
<b>Net benefit expense</b>	<b>10.31</b>	<b>7.45</b>

##### Details of changes in present value of defined benefit obligations as follows:

Particulars	As at 31 March, 2025	As at 31 March, 2024
Defined benefit obligation at the beginning of the year	78.14	56.42
Current service cost	11.56	8.64
Past Service Cost	-	-
Interest cost on benefit obligations	5.39	3.89
Re-measurements due to:	-	-
a. Actuarial changes arising from changes in demographic assumptions	-	-
b. Actuarial changes arising from changes in financial assumptions	-	-
c. Actuarial changes arising from changes in experience over the past years	9.74	17.37
Benefits paid	(4.61)	(8.18)
<b>Benefit obligation at the end of the year</b>	<b>100.22</b>	<b>78.14</b>

##### Details of changes in fair value of plan assets are as follows: -

Particulars	As at 31 March, 2025	As at 31 March, 2024
Fair value of plan assets at the beginning of the year	117.01	99.01
Interest income on plan assets	8.85	7.64
Employer contributions	33.85	18.12
Benefits paid	(4.61)	(8.18)
Re-measurements:	-	-
a. Return on Plan Assets	0.68	0.43
<b>Fair value of plan assets as at the end of the year</b>	<b>155.79</b>	<b>117.02</b>

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

Particulars	As at 31 March, 2025	As at 31 March, 2024
Salary Growth Rate	5.00%	5.00%
Discount Rate	6.50%	6.90%
Withdrawal/ Attrition Rate	43 % p.a	43 % p.a
Mortality	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Interest rate on net DBO (p.a)	6.90%	6.90%
Weighted average duration of remaining working life	1 year	1 year

A quantitative sensitivity analysis for significant assumption as at March 31, 2025 are as shown below:

Assumptions	Sensitivity Level	As at 31 March, 2025
Discount Rate	Increase by 1%	2.28
Discount Rate	Decrease by 1%	2.38
Further Salary Increase	Increase by 1%	2.39
Further Salary Increase	Decrease by 1%	2.33
Employee turnover	Increase by 1%	0.47
Employee turnover	Decrease by 1%	0.48
Mortality Rate	Increase in expected lifetime by 1 year	141.00
Mortality Rate	Increase in expected lifetime by 3 years	421.00

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 are as shown below:

Assumptions	Sensitivity Level	As at March 31, 2024
Discount Rate	Increase by 1%	1.69
Discount Rate	Decrease by 1%	1.77
Further Salary Increase	Increase by 1%	1.78
Further Salary Increase	Decrease by 1%	1.74
Employee turnover	Increase by 1%	0.22
Employee turnover	Decrease by 1%	0.23
Mortality Rate	Increase in expected lifetime by 1 year	144.00
Mortality Rate	Increase in expected lifetime by 3 years	430.00

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

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

**Note 35. Maturity analysis of Assets and Liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

Particulars	March 31 2025				March 31 2024			
	Within 12 Months	1-3 Years	More Than 3 Years	Total	Within 12 Months	1-3 Years	More Than 3 Years	Total
<b>Financial Assets</b>								
(a)Cash and Cash Equivalents	1,601.33	-	-	1,601.33	826.68	-	-	826.68
(b)Bank balances other than cash and cash equivalents	117.95	516.98	-	634.93	113.94	410.32	-	524.27
Loans	19,685.06	6,885.66	3,085.31	29,656.04	15,369.65	10,398.96	3,173.91	28,942.52
- Adjustment for ECL	-	-	-	(889.60)				(992.11)
Investments	1,231.25	789.41	816.14	2,836.81	713.31	160.19	793.95	1,667.45
Other Financial assets	50.16	-	90.29	140.46	175.91	-	83.01	258.92
<b>Non - Financial Assets</b>				-				-
Current Tax Assets (Net)	53.57	-	-	53.57	-	-	-	-
Deferred Tax Assets (Net)	219.00	-	-	219.00	171.24	-	-	171.24
Investment Property	-	-	9.04	9.04	-	-	10.83	10.83
Property, plant and equipment	-	-	433.20	433.20	-	-	401.86	401.86
Intangible assets	-	-	0.83	0.83	-	-	1.57	1.57
Other non-financial assets	342.68	699.94	-	1,042.62	325.18	606.97	-	932.14
<b>Total Assets</b>	<b>23,301.00</b>	<b>8,891.99</b>	<b>4,434.82</b>	<b>35,738.23</b>	<b>17,695.90</b>	<b>11,576.43</b>	<b>4,465.12</b>	<b>32,745.37</b>
<b>Financial Liability</b>								
Payables	41.52	-	-	41.52	43.52			43.52
Debt Securities	-	2,391.10	-	2,391.10	6,382.75	-	2,386.35	8,769.10
Borrowings(other than debt securities)	-	-	-	-	-	-	-	-
Deposits	4,249.41	13,376.64	1,352.23	18,978.28	4,621.71	5,665.78	526.49	10,813.98
Other Financial Liabilities	565.48	1,424.39	-	1,989.88	933.57	-	1,086.90	2,020.48
<b>Non Financial Liabilities</b>				-				
Current tax liabilities (net)	-	-	-	-	55.20	-	-	55.20
Provisions	68.22	-	-	68.22	49.40	-	-	49.40
Deferred tax Liability (Net)	-	-	-	-	-	-	-	-
Other non-financial liabilities	142.31	-	-	142.31	86.86	-	-	86.86
<b>Total</b>	<b>5,066.94</b>	<b>17,192.13</b>	<b>1,352.23</b>	<b>23,611.31</b>	<b>12,173.01</b>	<b>5,665.78</b>	<b>3,999.74</b>	<b>21,838.54</b>

**Note 36. Change in liabilities arising from financing activities**

Particulars	As at 31 March,2024	Cash Flows	Changes in fair value	Other	As at 31 March,2025
Deposits	10,813.98	8,163.05	-	1.25	18,978.28
Debt securities	8,769.10	(6,401.01)	-	23.02	2,391.10
Borrowings other than debt securities	-	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>19,583.08</b>	<b>1,762.04</b>	<b>-</b>	<b>24.27</b>	<b>21,369.38</b>

Particulars	As at 31 March,2023	Cash Flows	Changes in fair value	Other	As at 31 March,2024
Deposits	5,755.20	5,057.32	-	1.46	10,813.98
Debt securities	15,008.76	(6,212.07)	-	(27.59)	8,769.10
Borrowings other than debt securities	1,453.69	(1,453.69)	-		-
<b>Total liabilities from financing activities</b>	<b>22,217.66</b>	<b>(2,608.45)</b>	<b>-</b>	<b>(26.13)</b>	<b>19,583.08</b>

**Note 37. Contingent liabilities, commitments and leasing arrangements**

**(A) Contingent Liabilities**

Particulars	31 March 2025	31 March 2024
(a) Claims against the company not acknowledged as debt		
-Income Tax Demands	21.67	24.20
-Disputed claims against the company under Litigation not acknowledged as debts	28.47	53.49

**Lease Disclosures**

**Finance Lease :**

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

**Operating Lease :**

All operating lease agreements entered into by the Company are cancellable in nature & does not have a reasonable certainty of being used for a period of more than 12 months.

Consequently, all the leases entered into by the Company are short term leases & the Company has decided to avail exemption provided under paragraph 5 of IndAS 116.

Lease rental received for assets let out on operating lease Rs.13.44 Lakhs (March 31, 2024 Rs.12.39 Lakhs) are recognized as income in the Statement of Profit and Loss under the head 'Other Income.

Lease rental payments for assets taken on operating Lease Rs. 133.36 Lakhs are recognised as Rent in the statement of Profit or Loss

**Note 38. Related Party Disclosures****Name of the Related Parties****(A) Key Managerial Personnel**

	<b>Designation</b>	<b>Remarks</b>
Manoj Jacob	Whole Time Director	Appointed as Whole Time Director w.e.f 12th Nov 2024
Ragesh G R	Director	
Anna Alexander	Director	
George Muthoot Jacob	Director	Stepped down from the Board on 08th October 2024
Kurian C George	Independent Director	
T Thomas Mathew	Independent Director	
Philip P T	Chief Executive Officer	
Geena Thomas	Chief Financial Officer	
Nrithya Anand	Company Secretary	

**(B) Relatives of Key Management Personnel**

George Alexander Muthoot	Director/Relative of Directors	Stepped down from the Board on 08th October 2024
Elizebath Jacob	Relative of Directors	
Meran Thomas	Relative of Directors	
Swathi Eapen	Relative of Directors	
Krishna R Kurup	Relative of Directors	
Jacob C Joseph	Relative of Directors	
Reji Manoj	Relative of Directors	
Treesa Rose Joseph	Relative of Directors	
Taina Francis	Relatives of Key Management Personnel	
K J Thomas	Relatives of Key Management Personnel	

**(C) Entities over which Key Management Personnel and their relatives are able to exercise significant influence**

Muthoot Finance Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Muthoot Securities Ltd	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Muthoot Health Care Pvt Ltd	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Muthoot M George Institute Of Technology	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Muthoot Educational Trust	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Muthoot M George Foundation	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Muthoot Forex Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Bell Star Microfinance Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Xandari Pearl Beach Resorts Private Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
Xandari Resorts Private Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence
MGM Muthoot Medical Centre Private Limited	Entities over which Key Management Personnel and their relatives are able to exercise significant influence

Related Party Transactions during the year:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able to exercise significant influence /Associates	
	As at March 31st, 2025	As at March 31st, 2024	As at March 31st, 2025	As at March 31st, 2024	As at March 31st, 2025	As at March 31st, 2024
<b><u>Assets</u></b>						
Loans Given	-	-	-	-	79.06	76.89
Secured Term Loan Given						
Loans Recovered	-	-	-	-	27.31	52.82
Purchase of Fixed Asset					-	9.49
<b><u>Liabilities</u></b>						
Deposits Accepted	112.00	-	194.50	71.54		
Deposits Repaid	-	-	-	16.74		
Loan Accepted	-	-	-	-		
Loan repaid	-	-	-	-		
NCD Public Issue made	-	-		86.91	-	8.51
NCD Public Issue Redeemed	-	30.92	97	-	1,050.09	768.32
Inter Corporate Deposit (ICD) Accepted					1,325.00	2,300.00
Inter Corporate Deposit (ICD) Repaid					600.00	-
<b><u>Income</u></b>						
Rental Income	-	-	-	-	13.44	12.39
Interest Received from Loans	-	-	-	-	12.19	11.66
Interest Received from Secured Term Loans					-	15.68
Commission Received	-	-	-	-	3.73	-
<b><u>Expenses</u></b>						
Interest Paid on Deposits	7.29	-	13.20	5.21		
Interest Paid on NCD - PI	-	3.75	8.82	1.08	124.14	197.26
Interest Paid on ICD					226.50	
Processing charges on ICD					-	2.50
Sitting Fees	14.60	14.60	-	-		
Commission Paid	12.50	13.10	-	-	0.21	0.16
Reimbursement of Expenses		-	-	-	0.51	0.75
CSR Expenditure	-	-	-	-	15.82	-

Balance Outstanding at the year end:  
(Asset)/Liability

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel and their relatives are able	
	As at March 31st, 2025	As at March 31st, 2024	As at March 31st, 2025	As at March 31st, 2024	As at March 31st, 2025	As at March 31st, 2024
<b><u>Assets</u></b>						
Loan Given	-	-	-	-	177.72	126.11
Interest Receivable on loans	-	-	-	-	1.06	0.75
Rent Receivable	-	-	-	-	1.21	1.21
<b><u>Liabilities</u></b>						
Deposits	112.00	-	280.64	67.74	-	
Inter Corporate Deposit (ICD)					3,024.79	2,298.54
Interest Payable on Deposit	7.29		13.38	5.03		
Interest Payable on ICD				-	159.54	127.75
Interest Payable on NCD			5.85	5.02	27.23	140.09
NCD Public Issue		-	9.86	86.91	45.94	1,096.03
Commission				-	-	0.06
Reimbursement of Expenses				-		
<b>Amounts payable (net) to related parties</b>	<b>119.29</b>	<b>-</b>	<b>309.73</b>	<b>164.69</b>	<b>3,077.52</b>	<b>3,534.39</b>

Note:

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

#### 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 31st, 2025	As at March 31st, 2024
Short-term employee benefits		
<i>Salary</i>	49.24	33.83
<b>Total</b>	<b>49.24</b>	<b>33.83</b>



## **Note 39. Capital**

### **1) Capital Management**

#### **Objective**

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business, growth strategies and to maximise shareholder value. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

#### **Planning**

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.

### **2) Regulatory capital**

₹ in Lakhs

Particulars	31 March 2025	31 March 2024
Tier I capital	11,907.09	10,734.02
Tier II capital		-
<b>Total</b>	<b>11,907.09</b>	<b>10,734.02</b>
Risk weighted assets (RWA)	30,873.35	30,087.61
Tier I CRAR	38.57%	35.68%
Tier II CRAR	0.00%	0.00%
<b>Total</b>	<b>38.57%</b>	<b>35.68%</b>
<i>Regulatory capital consists of CET1 capital, which comprises share capital, share premium, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is other Tier 2 Capital Instruments.</i>		

**Note 40. 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 initially measured at fair value and subsequently carried at amortised cost in the financial statements.

Particulars	Level	Carrying Value		Fair Value	
		As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024
<b>Financial assets</b>					
Cash and Cash Equivalents	1	1,601.33	826.68	1,601.33	826.68
Bank balances other than cash and cash equivalents	1	634.93	524.27	634.93	524.27
Loans	3	28,766.44	27,950.41	28,766.44	27,950.41
Investments in Mutual Fund	1	1,229.15	700.68	1,229.15	700.68
Investments in others	3	1,607.65	966.77	1,607.65	966.77
Other financial assets	3	140.46	258.92	140.46	258.92
<b>Total</b>		<b>33,979.96</b>	<b>31,227.72</b>	<b>33,979.96</b>	<b>31,227.72</b>
<b>Financial Liabilities</b>					
Trade Payables	3	30.49	42.60	30.49	42.60
Other Payables	3	11.02	0.92	11.02	0.92
Debt securities	2	2,391.10	8,769.10	2,391.10	8,769.10
Deposits	2	18,978.28	10,813.98	18,978.28	10,813.98
Other financial liabilities	3	1,989.88	2,020.48	1,989.88	2,020.48
<b>Total</b>		<b>23,400.78</b>	<b>21,647.08</b>	<b>23,400.78</b>	<b>21,647.08</b>

**Valuation Techniques****Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, balances other than cash and cash equivalents, other financial assets and trade payables without a specific maturity. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

**Loans and advances to customers**

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Since comparable data is not available, Credit risk is derived using, historical experience, management view and other information used in its collective impairment models.

Fair values of portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics i.e., type of loan. The Company then calculates and extrapolates the fair value to the entire portfolio using Effective interest rate model that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

**Financial Liability at amortised cost**

The fair values of financial liability held-to-maturity are estimated using an effective interest rate model based on contractual cash flows using actual yields.

## Note 41. Risk Management

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.

As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

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.

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.

### I) Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

### Definition of default and cure

The Company considers a financial instrument as 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 unlikeliness 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 none of the default criteria have been present for at least three consecutive months. 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 (DPD/ Year)	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

*\*Individually Impaired V rating is given for total loss Asset which is determined not based on DPD but on, actual credit quality of the asset.*

**Exposure at Default (EAD)**

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.

**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 12month 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.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that no adjustment is required for temporary overlays to determine qualitative impact on its PD's as at March 31, 2025 and March 31, 2024.

Pools	As at March 31st,2025		
	Stage 1	Stage 2	Stage 3
New Car Loans	4.51 %	5.90%	100.00%
Used Car Loans	2.66%	3.01%	100.00%
New Two wheeler Loans	2.15%	2.28%	100.00%
Used Two wheeler Loans	0.87%	0.89%	100.00%
Commercial Vehicle Loans	4.46%	6.24%	100.00%
Business Loan	N/A	N/A	100.00%
Mortgage Loan	5.00%	N/A	100.00%
Personal Loan	7.50%	10.00%	100.00%
Gold Loan	4.25%	10.00%	100.00%
Corporate Loans	4.00%	N/A	N/A
Loan against Deposit	5.00%	N/A	N/A
Restructured loans	100.00%	100.00%	100.00%

Pools	As at March 31st,2024		
	Stage 1	Stage 2	Stage 3
New Car Loans	4.44 %	8.38%	100.00%
Used Car Loans	5.90%	17.96%	100.00%
New Two wheeler Loans	1.75%	4.23%	100.00%
Used Two wheeler Loans	7.46%	11.89%	100.00%
Commercial Vehicle Loans	11.17%	33.08%	100.00%
Business Loan	7.21 %	16.54%	N/A
Mortgage Loan	7.22%	N/A	100.00%
Personal Loan	5.97%	N/A	100.00%
Gold Loan	10.00%	50%	100.00%
Corporate Loans	10.00%	N/A	N/A
Loan against Deposit	10.00%	N/A	N/A
Restructured loans	100.00%	100.00%	100.00%

### Loss Given Default

The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Company has assessed that significant recoveries happen in the year in which default has occurred. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

Pools	As at March 31st,2025		
	Stage 1	Stage 2	Stage 3
New Car Loans	27.20%	27.20%	27.20%
Used Car Loans	30.80%	30.80%	30.80%
New Two wheeler Loans	55.32%	55.32%	55.32%
Used Two wheeler Loans	55.32%	55.32%	55.32%
Commercial Vehicle Loans	19.80%	19.80%	19.80%
Business Loan	N/A	N/A	10.00%
Mortgage Loan	50.00%	N/A	N/A
Personal Loan	25.00%	25.00%	25.00%
Gold Loan	10.50%	10.50%	10.50%
Corporate Loans	10.00%	N/A	N/A
Loan against Deposit	10.00%	N/A	N/A
Restructured loans	10.00%	10.00%	30.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

Pools	As at March 31st,2024		
	Stage 1	Stage 2	Stage 3
New Car Loans	38.90%	38.90%	38.90%
Used Car Loans	36.59%	36.59%	36.59%
New Two wheeler Loans	56.68%	56.68%	56.68%
Used Two wheeler Loans	56.68%	56.68%	56.68%
Commercial Vehicle Loans	22.64%	22.64%	22.64%
Business Loan	26.94%	26.94%	N/A
Mortgage Loan	50.00%	N/A	50.00%
Personal Loan	54.81%	N/A	54.81%
Gold Loan	10.00%	10.00%	10.00%
Corporate Loans	10.00%	N/A	N/A
Loan against Deposit	10.00%	N/A	N/A
Restructured loans	10.00%	10.00%	25.00%

*Analysis of risk concentration*

*Industry analysis*

As at March 31st,2025	Financial Services	Government	Total
<b>Financial assets</b>			
Cash and cash equivalent	1,601.33	-	<b>1,601.33</b>
Bank Balance other than Cash and cash equivalent	634.93	-	<b>634.93</b>
Loans	28,766.44	-	<b>28,766.44</b>
Investments	1,229.15	1,607.65	<b>2,836.81</b>
Other Financial assets	140.46	-	<b>140.46</b>
<i>Total</i>	<b>32,372.31</b>	<b>1,607.65</b>	<b>33,979.96</b>
Other commitments	-	-	-
	<b>32,372.31</b>	<b>1,607.65</b>	<b>33,979.96</b>

As at March 31st,2024	Financial Services	Government	Total
<b>Financial assets</b>			
Cash and cash equivalent	826.68	-	<b>826.68</b>
Bank Balance other than Cash and cash equivalent	524.27	-	<b>524.27</b>
Loans	27,950.41	-	<b>27,950.41</b>
Investments	700.68	966.77	<b>1,667.45</b>
Other Financial Asset	258.92	-	<b>258.92</b>
<i>Total</i>	<b>30,260.96</b>	<b>966.77</b>	<b>31,227.72</b>
Other commitments	-	-	-
	<b>30,260.96</b>	<b>966.77</b>	<b>31,227.72</b>

The company does not cater much region as of now and is in the process of building its business. The whole concentration is based out of south region which has its credit exposure of risk spread :-

Particulars	As at March 31st,2025			As at March 31st,2024		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
<b>South region</b>	27,110.23	780.97	1,764.83	26,746.25	867.20	1,329.08

### Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

The main type of collateral are as follows:-

Management provide Vehicle Loan against hypothecation of vehicle . The vehicle is hypothecated in the name of company and based on the company policy of loan to value ratio, the loan is provided.

Management provides loans against security of gold ornaments. The gold ornaments are pledged with the company and based on the company policy of loan to value ratio, the loan is provided.

₹ in Lakhs

[illegible][illegible]

II) 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 objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value of 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 fixed rates and for maturity periods shorter than the funding sources. Borrowings at floating rates gives rise to interest rate risk. 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. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

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

	31-03-2025	31-03-2024
On Borrowings		
1% increase	-	-
1% decrease	-	-

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.

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.

Segment reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the ind AS 108 - Segment Reporting.



### Asset Liability Management (ALM)

The table below shows the maturity pattern of the assets and liabilities. In the case of loans, contracted tenor of Vehicle loan is maximum of 84 months. However, on account of high incidence of prepayment before contracted maturity, the below maturity profile has been prepared by the management on the basis of historical pattern of repayments. In case of loans other than Vehicle loan, the maturity profile is based on contracted maturity.

#### Maturity pattern of assets and liabilities as on March 31 2025

₹ in Lakhs

Particulars	Contractual cash Flows							
	Up to 3 Months	Over 3 & Upto 6 Months	Over 6 & Upto 1 Year	Over 1 Year & Upto 3 Years	Over 3 Years & Upto 5 Years	Over 5 Years	Not Sensitive to ALM	Total
<b>Financial Assets</b> <i>Each item classified under Financial Assets</i>								
(a)Cash and Cash Equivalents	1,601.33	-	-	-	-	-		1,601.33
(b)Bank balances other than cash and cash equivalents	10.13	107.75	0.06	516.98	-	-		634.93
(c)Loans	3,170.50	2,784.64	13,729.92	6,885.66	2,324.53	760.78	(889.60)	28,766.44
(d)Investments	1,229.15	-	2.10	789.41	577.67	238.47		2,836.81
(e)Other Financial assets	50.16	-	-	-	-	90.29		140.46
<b>Total</b>	<b>6,061.27</b>	<b>2,892.39</b>	<b>13,732.08</b>	<b>8,192.05</b>	<b>2,902.20</b>	<b>1,089.54</b>	<b>(889.60)</b>	<b>33,979.96</b>
<b>Financial Liabilities</b> <i>Each item classified under Financial Liabilities</i>								
(a)Payables	41.52	-	-	-	-	-		41.52
(b)Debt Securities	-	-	-	2,391.10	-	-		2,391.10
(c)Borrowings(other than debt securities)	-	-	-	-	-	-		-
(d)Deposits	1,674.77	734.62	1,840.02	13,376.64	1,352.23	-		18,978.28
(e)Other Financial Liabilities	311.85	44.97	208.66	1,424.39	-	-		1,989.88
<b>Total</b>	<b>2,028.14</b>	<b>779.59</b>	<b>2,048.68</b>	<b>17,192.13</b>	<b>1,352.23</b>	<b>-</b>	<b>-</b>	<b>23,400.78</b>

#### Maturity pattern of assets and liabilities as on March 31 2024

Particulars	Contractual cash Flows							
	Up to 3 Months	Over 3 & Upto 6 Months	Over 6 & Upto 1 Year	Over 1 Year & Upto 3 Years	Over 3 Years & Upto 5 Years	Over 5 Years	Not Sensitive to ALM	Total
<b>Financial Assets</b> <i>Each item classified under Financial Assets</i>								
(a)Cash and Cash Equivalents	826.68	-	-	-	-	-		826.68
(b)Bank balances other than cash and cash equivalents	79.66		34.29	410.32	-	-		524.27
(a)Loans	3,643.97	3,024.86	8,700.82	10,398.96	2,749.12	424.79	(992.11)	27,950.41
(b)Investments	700.68	-	12.63	160.19	629.22	164.73		1,667.45
(c)Other Financial assets	175.91	-	-	-	-	83.01		258.92
<b>Total</b>	<b>5,426.89</b>	<b>3,024.86</b>	<b>8,747.73</b>	<b>10,969.46</b>	<b>3,378.34</b>	<b>672.53</b>	<b>(992.11)</b>	<b>31,227.72</b>
<b>Financial Liabilities</b> <i>Each item classified under Financial Liabilities</i>								
(a)Payables	43.52	-	-	-	-	-	-	43.52
(b)Debt Securities	-	-	6,382.75	-	2,386.35	-		8,769.10
(c)Borrowings(other than debt securities)	-	-	-	-	-	-	-	-
(d)Deposits	1,011.63	1,856.26	1,753.82	5,665.78	526.49	-		10,813.98
(e)Other Financial Liabilities	343.20	62.27	528.10	-	1,086.90	-		2,020.48
<b>Total</b>	<b>1,398.35</b>	<b>1,918.53</b>	<b>8,664.67</b>	<b>5,665.78</b>	<b>3,999.74</b>	<b>-</b>	<b>-</b>	<b>21,647.08</b>

**RBI Disclosures**
**Note 42. Asset Classification**

₹ in Lakhs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	27,110.23	213.19	26,897.05	108.44	104.74
	Stage 2	780.97	10.50	770.48	3.12	7.38
<b>Subtotal</b>		<b>27,891.21</b>	<b>223.69</b>	<b>27,667.52</b>	<b>111.56</b>	<b>112.13</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	1,141.42	430.04	711.38	114.14	315.90
Doubtful - up to 1 year	Stage 3	339.68	144.91	194.77	67.94	76.98
1 to 3 years	Stage 3	283.74	90.96	192.78	85.12	5.84
More than 3 years	Stage 3					-
<b>Subtotal for doubtful</b>		<b>623.41</b>	<b>235.87</b>	<b>387.55</b>	<b>153.06</b>	<b>82.81</b>
Loss	Stage 3					
<b>Subtotal for NPA</b>		<b>1,764.83</b>	<b>665.91</b>	<b>1,098.92</b>	<b>267.20</b>	<b>398.71</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1					
	Stage 2					
	Stage 3					
<b>Subtotal</b>						
<b>Total</b>	<b>Stage 1</b>	<b>27,110.23</b>	<b>213.19</b>	<b>26,897.05</b>	<b>108.44</b>	<b>104.74</b>
	<b>Stage 2</b>	<b>780.97</b>	<b>10.50</b>	<b>770.47</b>	<b>3.12</b>	<b>7.38</b>
	<b>Stage 3</b>	<b>1,764.83</b>	<b>665.91</b>	<b>1,098.92</b>	<b>267.20</b>	<b>398.71</b>
	<b>Total</b>	<b>29,656.04</b>	<b>889.60</b>	<b>28,766.44</b>	<b>378.76</b>	<b>510.86</b>

# Note 43. Disclosure of Restructured Accounts

(Amount in lakhs)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers											50.00	6.00	5.00		61.00	50.00	6.00	5.00	-	61.00
		Amount outstanding											239.47	14.04	27.06		280.56	239.47	14.04	27.06	-	280.56
		Provision thereon											23.95	3.51	6.76		34.22	23.95	3.51	6.76	-	34.22
2	Fresh restructuring during the year	No. of borrowers															-	-	-	-	-	-
		Amount outstanding															-	-	-	-	-	-
		Provision thereon															-	-	-	-	-	-
3	Up gradations to restructured standard category during the FY	No. of borrowers											8.00				8.00	8.00	-	-	-	8.00
		Amount outstanding											24.02				24.02	24.02	-	-	-	24.02
		Provision thereon											2.40				2.40	2.40	-	-	-	2.40
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers															-	-	-	-	-	-
		Amount outstanding															-	-	-	-	-	-
		Provision thereon															-	-	-	-	-	-
5	Down gradations of restructured accounts during the FY	No. of borrowers												1.00			1.00	-	1.00	-	-	1.00
		Amount outstanding												0.51			0.51	-	0.51	-	-	0.51
		Provision thereon												0.15			0.15	-	0.15	-	-	0.15
6	Write-offs of restructured accounts during the FY	No. of borrowers															-	-	-	-	-	-
		Amount outstanding															-	-	-	-	-	-
		Provision thereon															-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers											28.00	2.00	2.00		32.00	28.00	2.00	2.00	-	32.00
		Amount outstanding											88.77	3.06	14.36		106.20	88.77	3.06	14.36	-	106.20
		Provision thereon											8.88	0.92	4.31		14.11	8.88	0.92	4.31	-	14.11
* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).																						

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

**Note 44 : RBI Disclosures Pursuant to Circular No: DOR.No.BP.BC/3/21.04.048/2020-21**

**COVID-19-Restructured Accounts**

Amount In Lakhs

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year 30.09.2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year 31.03.2025
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
<i>Of which, MSMEs</i>	-	-	-	-	-
Others:	-	-	-	-	-
Vehicle	38.90	0.51	-	5.66	32.73
Mortgage Loan	69.72	-	-	13.68	56.04
Business Loan	-	-	-	-	-
<b>Total</b>	<b>108.62</b>	<b>0.51</b>	<b>-</b>	<b>19.34</b>	<b>88.77</b>
<i>*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016</i>					

**Note 45.1 Disclosure as per the circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 issued by Reserve Bank of India regarding Liquidity Coverage Ratio (LCR)**

**Maintenance of Liquidity Coverage Ratio (LCR)**

Reserve Bank of India vide its notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/ 03.10.001/ 2019-20 dated November 04, 2019 introduced Liquidity Coverage Ratio for certain categories of NBFCs w.e.f December 01, 2020 . All non-deposit taking NBFCs with asset size of ₹10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The LCR requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024, as per the time-line given below:

From	December 01, 2020	December 01, 2021	December 01, 2022	December 01, 2023	December 01, 2024
Minimum LCR	50%	60%	70%	85%	100%

**A) Quantitative Disclosure**

Sl. No.	Particulars	As at March 31, 2025		As at December 31, 2024		As at September 30, 2024		As at June 30, 2024	
		Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value	Total Unweighted Value	Total Weighted Value
	<b><u>High Quality Liquid Assets</u></b>								
1	Total High Quality Liquid Assets (HQLA)	1,655.04	1,655.04	1,530.15	1,530.15	1,348.51	1,348.51	890.65	890.65
	<b><u>Cash Outflows</u></b>								
2	Deposits (for deposit taking companies)	106.16	122.08	378.57	435.36	492.34	566.19	215.01	247.26
3	Unsecured wholesale funding	-	-			-	-	-	-
4	Secured wholesale funding	-	-			-	-	-	-
5	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral requirements	-	-			-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-			-	-	-	-
	(iii) Credit and liquidity facilities							-	-
6	Other contractual funding obligations	1,146.95	1,318.99	338.01	388.71	306.31	352.26	313.24	360.23
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	<b>Total Cash Outflows</b>	<b>1,253.11</b>	<b>1,441.07</b>	<b>716.58</b>	<b>824.07</b>	<b>798.65</b>	<b>918.45</b>	<b>528.26</b>	<b>607.49</b>
	<b><u>Cash Inflows</u></b>								
9	Secured lending	-	-	-	-	-	-	-	-
	Inflows from fully performing exposures	735.30	551.48	670.22	502.66	900.11	675.09	894.21	670.66
11	Other cash inflows	-	-	-	-	-	-	-	-
12	<b>Total Cash Inflows</b>	<b>735.30</b>	<b>551.48</b>	<b>670.22</b>	<b>502.66</b>	<b>900.11</b>	<b>675.09</b>	<b>894.21</b>	<b>670.66</b>
13	<b>Total HQLA</b>	<b>1,655.04</b>	<b>1,655.04</b>	<b>1,530.15</b>	<b>1,530.15</b>	<b>1,348.51</b>	<b>1,348.51</b>	<b>890.65</b>	<b>890.65</b>
14	<b>Total Net Cash Outflows</b>		<b>360.27</b>		<b>206.02</b>		<b>229.61</b>		<b>151.87</b>
15	<b>Liquidity Coverage Ratio (%)</b>		<b>459%</b>		<b>743%</b>		<b>587%</b>		<b>586%</b>

**Note:**

- 1) Unweighted values calculated as outstanding balances maturing or callable within 30 days (for Cash inflows and Cash outflows)
- 2) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors (on cash inflow/cash outflow)
- 3) The average LCR is computed as simple averages of daily observations over the previous quarters
- 4) The figures pertaining to the respective months used for the quantitative disclosure are based on the estimates and assumptions of the management, which have been relied upon by the auditors.

**B) Qualitative Disclosure**

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises unencumbered Cash and Bank balances, Government securities viz.

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALM) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. Mr. George Alexander Muthoot ( Director) heads the Committee. The role of the ALM committee with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

Components of High Quality Liquid Assets			
Sl. No	Particulars	Total Unweighted Value (Average)	Total Weighted Value (Average)
1	Cash	79.26	79.26
2	Bank	372.29	372.29
3	SLR investments (80%)	1,203.50	1,203.50
	<b>TOTAL</b>	<b>1,655.04</b>	<b>1,655.04</b>

**Note 45.2: Disclosures required as per Reserve Bank of India Circular No RBI/2019-20/88/DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019**

(i) Funding Concentration based on significant counterparty (both deposits and borrowings): (₹ in Lakhs)

Date	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
31-03-2025	4	3,364.50	17.73%	14.25%
31-03-2024	4	3,146.00	29.09%	14.41%

(ii) Top 20 large deposits:

Date	Amount	% of Total Deposit
31-03-2025	5,241.01	27.62%
31-03-2024	3,255.00	30.10%

(iii) Top 10 borrowings :

Date	Amount	% of Total Borrowings
31-03-2025	349.94	14.64%
31-03-2024	1,534.00	17.49%

(iv) Funding Concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2025		As at March 31, 2024	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Secured Non-Convertible Debentures	2,391.10	10.13%	8,769.10	40.15%
Borrowings from Banks/FIs	-	-	-	-
Deposits	18,978.28	80.38%	10,813.98	49.52%
Other Loans-Loans from Directors and relatives	-	-	-	-
<b>Total</b>	<b>21,369.38</b>	<b>90.50%</b>	<b>19,583.08</b>	<b>89.67%</b>

Note:

a) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

(v) Stock Ratios:

Stock Ratios	As at March 31, 2025	As at March 31, 2024
Commercial Paper as a % of Total Public Funds	Nil	Nil
Commercial Paper as a % of Total Liabilities	Nil	Nil
Commercial Paper as a % of Total Assets	Nil	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Public Funds	Nil	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Liabilities	Nil	Nil
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Assets	Nil	Nil
Other Short-term Liabilities to Total Public Funds	28.12%	70.38%
Other Short-term Liabilities to Total Liabilities	21.46%	55.74%
Other Short-term Liabilities to Total Assets	14.18%	37.17%

Note:

a) Public Fund represents Debt Securities, Borrowings (other than debt securities) and excludes Loan from Directors and Relatives

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

c) Other Short Term Liabilities represent all liabilities (excluding Commercial Paper) maturing within a year.

(vi) Institutional set-up for Liquidity Risk Management

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The ALM Committee of the Board of Directors shall be responsible for evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The CEO heads the Committee. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

**NOTE 46**

Disclosure as required by RBI Circular DNBR (PD) CC No. 040/03.01.001/2014-15 dated June 03, 2015 and DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19,2022

**46.1 Capital****(₹ in Lakhs)**

S. No.	Particulars	As at 31 March 2025	As at 31 March 2024
(i)	CRAR (%)	38.57%	35.68%
(ii)	CRAR - Tier I Capital (%)	38.57%	35.68%
(iii)	CRAR - Tier II Capital (%)		
(iv)	Amount of subordinated debt raised as Tier-II capital		
(v)	Amount raised by issue of Perpetual Debt Instruments		

**46.2 Investments****(₹ in Lakhs)**

S. No.	Particulars	As at 31 March 2025	As at 31 March 2024
<b>1</b>	<b>Value of Investments</b>	2845.85	1678.28
(i)	Gross Value of Investments		
	(a) In India	2858.40	1689.04
	(b) Outside India		
(ii)	Provisions for Depreciation		
	(a) In India	12.55	10.76
	(b) Outside India		
(iii)	Net Value of Investments		
	(a) In India	2845.85	1678.28
	(b) Outside India.		
<b>2</b>	<b>Movement of provisions held towards depreciation on investments.</b>		
(i)	Opening balance		
(ii)	Add : Provisions made during the year		
(iii)	Less : Write-off / write-back of excess provisions during the year		
(iv)	Closing balance		

**46.3 Derivatives****46.3.1 Forward Rate Agreement / Interest Rate Swap****(₹ in Lakhs)**

S. No.	Particulars	As at 31 March 2025	As at 31 March 2024
(i)	The notional principal of swap agreements	Nil	Nil
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
(iii)	Collateral required by the NBFC upon entering into swaps	Nil	Nil
(iv)	Concentration of credit risk arising from the swaps \$	Nil	Nil
(v)	The fair value of the swap book @	Nil	Nil

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.

@



**46.3.2 Exchange Traded Interest Rate (IR) Derivatives**
**(₹ in Lakhs)**

S. No.	Particulars	As at 31 March 2025
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil
	a)	
	b)	
	c)	
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2023 (instrument-wise)	Nil
	a)	
	b)	
	c)	
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil
	a)	
	b)	
	c)	
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil
	a)	
	b)	
	c)	

**46.3.3 Disclosures on Risk Exposure in Derivatives**
**Quantitative Disclosures**
**(₹ in Lakhs)**

Sl. No.	Particular	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	Nil	Nil
	For hedging	Nil	Nil
(ii)	Marked to Market Positions [1]		
	a) Asset (+)	Nil	Nil
	b) Liability (-)	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil
(iv)	Unhedged Exposures	Nil	Nil

**46.4 Disclosures relating to Securitisation**
**(₹ in Lakhs)**

Sl. No.	Particulars	No. / Amount in crore
1	No of SPVs sponsored by the NBFC for securitisation transactions*	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored	Nil
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	Nil
	a) Off-balance sheet exposures	
	First loss	Nil
	Others	Nil
	b) On-balance sheet exposures	
	First loss	Nil
	Others	Nil
4	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitizations	Nil
	First loss	Nil
	Loss	Nil
	ii) Exposure to third party securitisations	Nil
	First loss	Nil
	Others	Nil
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	Nil
	First loss	Nil
	Others	Nil
	ii) Exposure to third party securitisations	Nil
	First loss	Nil
	Others	Nil

\*Only the SPVs relating to outstanding securitisation transactions may be reported here

## (₹ in Lakhs)

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

## (₹ in Lakhs)

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
(i)	No. of accounts	Nil	Nil
(ii)	Aggregate value (net of provisions) of accounts sold	Nil	Nil
(iii)	Aggregate consideration	Nil	Nil
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

## (₹ in Lakhs)

## (₹ in Lakhs)

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
1	(a) No. of accounts purchased during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil
2	(a) Of these, number of accounts restructured during the year	Nil	Nil
	(b) Aggregate outstanding	Nil	Nil

## (₹ in Lakhs)

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
1	No. of accounts sold	Nil	Nil
2	Aggregate outstanding	Nil	Nil
3	Aggregate consideration received	Nil	Nil

## (₹ in Lakhs)

[illegible]

#### 46.6 Exposures

##### 46.6.1 Exposure to Real Estate Sector

(₹ in Lakhs)

Sl. No.	Category	As at 31 March 2025	As at 31 March 2024
a)	Direct Exposure		
(i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based limits	2.21	71.86
(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 would also include non-fund based limits	86.34	114.15
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures - a. Residential b. Commercial Real Estate		
b)	Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
	<b>Total Exposure to Real Estate Sector</b>	<b>88.55</b>	<b>186.01</b>

##### 46.6.2 Exposure to Capital Market

(₹ in Lakhs)

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	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)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
(ix)	Financing to stockbrokers for margin trading	Nil	Nil
(x)	All exposures to Alternative Investment Funds:	Nil	Nil
	a. Category I	Nil	Nil
	b. Category II	Nil	Nil
	c. Category III	Nil	Nil
	<b>Total Exposure to Capital Market</b>	<b>Nil</b>	<b>Nil</b>

**46.6.3 Sectoral Exposure**

(₹ in Lakhs)

Sectors	As at 31 March 2025			As at 31 March 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
i) Financial Institution/Financial Services(NBFC's)	1,643.56	-	-	2,228.48	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans	119.03	8.47	7.11%	68.48	-	-
5. Others	-	-	-	-	-	-
i) Auto Loans	16,348.74	1,524.03	9.32%	21,351.19	1,311.75	6.14%
ii) Gold Loan	11,421.97	202.03	1.77%	5,030.75	17.33	0.34%
iv) Loans Against Deposit	34.19	-	-	57.90	-	-
iv) Business Loan	30.31	30.31	100.00%	51.65	-	-
v) Mortgage Loan	58.25	-	-	154.07	-	-

**46.6.4 Intra-Group Exposure**

(₹ in Lakhs)

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
1	Total amount of intra-group exposures	178.77	126.86
2	Total amount of top 20 intra-group exposures	178.77	126.86
3	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.60%	0.44%

**46.6.5 Unhedged Foreign Currency Exposure**

Not Applicable

**46.6.6 Details of financing of parent company products**

Not Applicable

**46.6.7 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the NBFC**

The company did not lend any advances during the financial year 2024-25 which exceeds the SGL &amp; GBL

**46.6.8 Unsecured Advances**

(Amount in Rs. Lakhs)

Loan Type	Amount
Personal Loan	119.03
Top-Up Loans	412.64

**46.7. Miscellaneous**
**46.7.1 Registration obtained from other financial sector regulators**

Company has not obtained any registration from other financial regulators during the FY 2024-25

**46.7.2 Disclosure of Penalties imposed by RBI and other regulators**

In exercise of the powers conferred under Section 58G(1)(b) read with Section 58B(5)(aa) of the Reserve Bank of India Act, 1934, and Section 25(1)(iii) read with Section 23(4) of the Credit Information Companies (Regulation) Act, 2005, the Reserve Bank of India imposed a penalty of Rs.7.90Lakhs on our company for Non-compliance with its statutory directions observed with respect the financial position as on March 31, 2022.

**46.7.3 Related Party Transactions**

Refer to Note No. 38 to Financial Statements

**46.7.4 Ratings assigned by credit rating agencies and migration of ratings during the year**

Sl No	Particulars	As at March 31,2025	As at March 31,2024
1	Bank Loans- Long Term	CRISIL A (Stable)	CRISIL A (Stable)
2	Non Convertible Debentures- Long Term	CRISIL A (Stable)	CRISIL A (Stable)
3	Public Deposits	CRISIL A (Stable)	CRISIL A (Stable)

**46.7.5 Remuneration of Directors**

(Amount in Rs. Lakhs)

Particulars	Amount
Remuneration of Directors	4.00
Commission to Directors	12.50

**46.7.6 Management Discussion and Analysis Report**

Refer Directors Report

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

Refer Note 2 to the Financial Statements

**46.7.8 Revenue Recognition**

No revenue recognition has been postponed during the FY 2024-25. Refer Note 2 to the Financial Statements.

**46.7.9 Accounting Standard 21 -Consolidated Financial Statements (CFS)**

Not Applicable

**46.8. Additional Disclosures****46.8.1 Provisions and Contingencies**

(₹ in Lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31 March 2025	As at 31 March 2024
Provisions for depreciation on Investment	1.79	-
Provision towards NPA	97.43	-58.24
Provision made towards Income tax	348.08	381.25
Other Provision and Contingencies (Pvsn. For Leave Encashment)	29.90	20.79
Provision for Standard Assets	-199.94	-74.62

**46.8.2 Draw Down from Reserves**

Nil

**46.8.3 Concentration of Deposits, Advances, Exposures and NPAs****46.8.3.1 Concentration of Deposits**

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total Deposits of twenty largest depositors	5241.01	3255.00
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	27.62%	30.10%

**46.8.3.2 Concentration of Advances**

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total Advances to twenty largest borrowers	2281.86	2665.09
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	7.69%	9.21%

**46.8.3.3 Concentration of Exposures**

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total Exposure to twenty largest borrowers / customers	2281.86	2665.09
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	7.69%	9.21%

**46.8.3.4 Concentration of NPAs**

(₹ in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Total Exposure to top four NPA accounts	59.91	31.56

**46.8.3.5 Sector-wise NPAs**

(₹ in Lakhs)

Sector	Percentage of NPAs to Total Advances in that sector
Agriculture & Allied Activities	-
MSME	-
Gold Loan	1.77%
Corporate borrowers	-
Services	-
Business Loan	100.00%
Unsecured personal loans	7.11%
Auto loans	9.32%
Other personal loans	-

**46.8.4 Movement of NPAs**
**(₹ in Lakhs)**

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
(i)	Net NPAs to Net Advances (%)	3.79%	2.68%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	1329.08	1349.10
	(b) Additions during the year	1029.70	689.89
	(c) Reductions during the year	593.95	709.91
	(d) Closing balance	1764.83	1329.08
(iii)	Movement of Net NPAs		
	(a) Opening balance	760.60	722.38
	(b) Additions during the year	644.90	370.64
	(c) Reductions during the year	306.58	332.42
	(d) Closing balance	1098.93	760.60
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	568.48	626.73
	(b) Provisions made during the year	97.43	-58.24
	(c) Write-off / write-back of excess provisions	0.00	0.00
	(d) Closing balance	665.91	568.48

**46.8.5 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
Nil	Nil	Nil	Nil

**46.8.6 Off-balance Sheet SPVs sponsored**

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

**46.9. Disclosure of Complaints**
**46.9.1 Customer Complaints**

Sl. No.	Particulars	As at 31 March 2025	As at 31 March 2024
	Complaints received by the NBFC from its customers		
(a)	No. of complaints pending at the beginning of the year	5	4
(b)	No. of complaints received during the year	93	60
(c)	No. of complaints redressed during the year	92	55
	(i) Of which, number of complaints rejected by the NBFC	0	0
(d)	No. of complaints pending at the end of the year	1	5
	Maintainable complaints received by the NBFC from Office of Ombudsman		
(e)	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
	Of (e), number of complaints resolved in favour of the NBFC by Office of Ombudsman	6	4
	Of (e), number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman		
	Of (e), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC		
(f)	Number of Awards unimplemented within the stipulated time (other than those appealed)		

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
As at 31 March 2025					
CIC report issues	2	16	-11%	0	0
Dispute on Loan closing figure	0	14	-7%	0	0
Deposit related	0	1	100%	0	0
NOC issuance	0	30	329%	0	0
Waiver of CBC	1	1	-50%	0	0
Others	2	31	72%	1	1
Total	5	93		1	1

As at 31 March 2024					
CIC report issues	1	18	20%	2	2
Dispute on Loan closing figure	2	15	88%	0	0
Deposit related	0	0	-	0	0
NOC issuance	0	7	-	0	0
Waiver of CBC	0	2	-	1	1
Others	1	18	500%	2	2
Total	4	60		5	5

#### **47. Utilisation of Borrowed Fund and Share Premium**

1) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

2) The Company has not received any funds from any person(s) or entity(ies) ("Funding Party") 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

#### **48. Details of Benami Property Held**

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2025 and March 31, 2024.

#### **49. Wilful Defaulter**

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2025 and March 31, 2024

#### **50. Relationship with struck off Companies**

The company has no transaction with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

#### **51. Registration of Charges or satisfaction with Registrar of Companies (ROC)**

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2025 and March 31, 2024. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

#### **52. Compliance with number of layers of companies**

The number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules is not applicable to the company.

#### **53. Compliance with approved Scheme(s) of Arrangements**

The Company has not entered into any Scheme of Arrangements which requires the approval of the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for the financial years ended March 31, 2025 and March 31, 2024.

#### **54. Undisclosed Income**

The company does not have any transaction which is not recorded in the books of account but has been surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961.

#### **55. Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2025 and March 31, 2024

56. Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

As per our report of even date attached

**For R.G.N. Price & Co**  
Chartered Accountants

Sd/-  
**Manoj Jacob**  
Whole Time Director (DIN - 00019016)

Sd/-  
**Ragesh G R**  
Director (DIN - 01991210)

Sd/-  
**P.M. Veeramani**  
Partner

Sd/-  
**Philip P T**  
Chief Executive Officer

Sd/-  
**Geena Thomas**  
Chief Financial Officer

Sd/-  
**Nrithya Anand**  
Company Secretary

Place : Cochin  
Date : 17-05-2025