MANAPPURAM HOME FINANCE LTD.

A home for everyone

Transcending Boundaries

Annual Report 2022-2023

Looking forward.

Our Vision

To become the nation's 'preferred' financial intermediary, affording fulfilment of the common man's aspirations.

Our Mission

To serve ordinary people by facilitating the flow of resources at reasonable rates enabling ownership of **"Affordable Housing".**

Our board of Directors

Vazhappully Padmanabhan Nandakumar

Mr. V.P. Nandakumar is a post-graduate in science with additional qualifications in Banking and Foreign Trade. He started his career with the erstwhile Nedungadi Bank. In 1986, he resigned to take over the family business, following the demise of his father, V.C. Padmanabhan. In 1992, he promoted Manappuram Finance Limited and has been a Director of the Company since then. He is a managing committee member of leading trade and industry associations such as Associated Chambers of Commerce (ASSOCHAM) and Federation of Indian Chambers of Commerce (FICCI). He is also a former Chairman of the Kerala State Council of the CII. He has been associated with our Company since March, 2014

Jeevandas Narayan

Mr. Jeevandas Narayan is a graduate in Commerce from University of Mysore. He has over 40 years of vast experience in Banking and finance sector. He is a career Banker who retired from State Bank of India as Deputy Managing Director and his last posting was as Managing Director in State Bank of Travancore. After retirement from SBI, he was the Nominee Director of the SBI on the Board of Soma Enterprises Ltd. for a short stint in the year 2017. He was ranked among the top 40 CEOs by the BT-PwC list of India's Top 40 CEOs from the BFSI Sector 2016. Mr. Jeevandas Narayan is also serving on the Governing Body of MSNIM, a leading Management Institute based at Mangaluru and is currently nominated as its Correspondent. Both these positions as Governing Body member and Correspondent are “Pro bono” positions. He is also holding directorship in the Karnataka Bank Ltd as an Independent Director. He has been associated with our Company since February 2, 2017.

Thotanchath Balakrishnan

A former member of Indian Administrative Service Mr Balakrishnan retired as Additional Chief Secretary, Industries and IT Departments Kerala. He has rich experience in various fields including Public Administration, Regulations, Industry, Tourism, Infrastructure, IT and Local Self Government. He has worked in TN, Kerala, Delhi and New York in his long career. He has served in more than 40 Boards including State PSUs, Central PSUs, Statutory Boards and reputed Private Sector Companies, as Director. During his illustration career as an IAS officer, he has held various key administrative position in Kerala Government. He has been associated with our Company since June 18, 2014 as an Independent Director.

Gautam Rathindranath Saigal

Mr. Gautam Saigal is founder partner of Pachira Financial Services LLP. He has over 30 years of experience in financial services covering Investment Banking, Private Equity Investments and Advisory Services. Gautam was the Managing Director of AA Indian Development Capital Advisors Ltd., advisors to the India dedicated mid-market focussed private equity fund launched by the Ashmore Group and A lchemy Partners, UK (2006-2013).Prior to this he was Vice President, AIG Global Investment Group (Asia) and Co-Head of its India Private Equity advisory practice, responsible for leading several private equity investments across various sectors (1997-2006). Earlier to this he was in Investment Banking for 6 years. From September 2013 to till August 2021, he was an Advisor to Manappuram Finance Ltd. He is presently a member of the Board of Directors of Asirvad Microfinance Ltd. He has been associated with our Company since May 13, 2015. He is a chartered accountant and post graduate in Commerce.

Pratima Ram

Ms. Pratima Ram is an experienced banker with three decades in Corporate, International, Investment & Retail Banking. She has worked in India, USA and South Africa. Pratima held the position of Country Head & Chief General Manager of the United States Operations of State Bank of India, in New York, and prior to this she was the CEO of the South African operations of the Bank based at Johannesburg. At SBI Capital Markets, she assisted companies in raising funds through capital market instruments and led the Corporate Advisory, M&A, & Project Appraisal business. She also led the training initiatives of SBI as head of the SBI Academy. On leaving the public sector, she joined private sector in the infrastructure and Oil & Gas space as Group President Finance at Punj Lloyd Group having diversified operations then in more than 15 countries and thereafter held the position of CEO and Whole Time Director of India Infoline Finance Ltd. Currently she is holding directorship in various companies as independent director. Pratima graduated from University of Virginia, USA and Bangalore Uni versity.

Corporate Information

Registered Office Address

Manappuram Home Finance Limited
Regd. Office : 5th Floor, W-4/638A,
Manappuram House, Valapad P.O, Thrissur,
Kerala-680567 . PH : (0487)3050435, 3050419
E-Mail: cs.sreedivya@manappuramhomefin.com
Website :www.manappuramhomefin.com

Corporate Office Address

Manappuram Home Finance Limited
Unit No 301-315, A Wing, Kanakia Wall street
Andheri Kurla Road, Andheri East,
Mumbai, Maharashtra-400093
PH : 02266211000

Chairman

Mr. V.P. Nandakumar

Chief Financial Officer

Mr. Bikash Kumar Mishra
(upto 15th March 2023)

Mr.Robin Karuvely
(From 16th March 2023)

Board Members

Mr. T Balakrishnan
Mr. Jeevandas Narayan
Mr. Gautam Saigal
Mrs. Pratima Ram

Chief Executive Officer

Mr. Suveen P S

Company Secretary

Ms. Sreedivya S

Registrar and Share Transfer Agents - Shares

S.K.D.C. Consultants Limited
"Surya", 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road
Coimbatore – 641028
Phone: 0422 4958995, 2539835 / 836
Fax : 0422 2539837
Email: info@skdc-consultants.com

Registrar and Transfer Agent - Debentures

LINK INTIME INDIA PRIVATE LIMITED
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West)
Mumbai-400 083, Maharashtra, India
Telephone: +91 - 22 - 4918 6200
Fax: +91 - 22 - 4918 6195
Email: manappuramhomefin.ncd@linkintime.co.in

Debenture Trustees

CATALYST TRUSTEESHIP LIMITED
(formerly GDA Trusteeship Limited)
GDA House, Plot No. 85, Bhusari Colony (Right),
Kothrud, Pune 411038
Telephone: +91 - 22 - 4922 0543
Fax: +91 - 22 - 4922 0505
Email: complianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

Statutory Auditor

M/s. Mukund M Chitale & Co.
Chartered Accountants,
2nd floor, Kapur House,
Paranjape B Scheme Road, No.1
Vile Parle East, Mumbai –400057, India
Tel.: + 91 22 2663 3500
Email: schitale@mmchitale.com

Secretarial Auditor

KSR and Co Company Secretaries LLP
#.7C, "Mayflower Signature", Peelamedu, Avinashi Road, Coimbatore – 641 004.

Board's Report

To,

The Members

Manappuram Home Finance Limited

Your directors are pleased to present the 13th Annual Report on the working of the Company with the Audited Accounts and the Report of the Auditors for the financial year ended March 31, 2023.

- **Financial Results at a glance**

Rs. In lakhs

Description	2022-23	2021-22
Total Revenue	16,574.14	12,260.72
Profit / (Loss) Before Tax	**2,591.70**	**990.87**
Less: Provision for Taxes/Deferred tax	644.83	269.76
Net Profit / (Loss) after tax	**1,946.87**	**721.11**
Profit / (Loss) b/f from previous years	741.03	157.35
Amount available for appropriations	**2,891.72**	**885.25**
Less: Transfer to Special Reserve (Under section 29C of the NHB Act, 1987)	389.37	144.22
Less: Additional provision as per RBI Guidelines	0	0
Less: Proposed dividend tax	0	0
Balance carried forward to next year	**2,502.35**	**741.03**

During the year under review, Company has achieved AUM of Rs. 109577.05 Lakhs by the end of FY 2022-23 spread over 66 branches. The total revenue stands to Rs. 16574.14 Lakhs. Net Owned Fund (NOF) stood at Rs. 22879.08 Lakhs as on 31st March 2023.

Outlook for 2023-24

The housing growth momentum is expected to continue on the back of a strong demand in FY24 supported by an estimated 9% YOY increase in housing sales, according to an estimate by rating agency ICRA. Property prices are expected to increase by another 5% in 2023-24 on top of an 8-10% surge seen in the previous financial year. Though the impact of higher input cost pressures seen in the previous FY, in the range of 8-10% remains, developers might not hike prices at least until HI of 2023-24 as they would like to gauge the demand dynamics. Tier II and Tier III cities are expected to report significant growth in housing demand as a result of urbanization gaining momentum.

Affordability is a prime driver of housing demand. However, high input costs and inflation compelled developers to hike property prices in 2022-23. This, coupled with the 250 bps hike in repo rate, had some impact on the affordable housing segment in FY23. However, as retail inflation has started softening towards the comfort zone of 4% and rate hikes are likely to take a pause, housing demand in general, and affordable housing in particular, are expected to witness renewed traction in FY24. The rejig of tax slabs consequent to the migration to the new tax regime is also expected to increase disposable income and facilitate increased home loan demand.

Improving disposable incomes and affordability coupled with a pause in rate hikes are expected to ensure that asset quality is unlikely to emerge as much of a concern. This will be an incentive for banks and home financiers to step up lending. RBI expects India's GDP growth for FY24 to be 6.5% which augurs well for the housing sector. On the whole, low inflation, rising disposable income and higher economic growth will ensure a robust outlook for the housing sector.

- **Dividend**

  Directors do not recommend any dividend for the year under consideration.

- **Reserves**

  During the year, the company has made a profit of Rs 1946.87 Lakhs. Further, the company has transferred Rs. 389.37 Lakhs to Special Reserve as per section 29C of the NHB Act, 1987.

- **Acceptance of Deposits**

  The company being a non-deposit taking Housing Finance Company (HFC) has not accepted public deposit during the year.

- **Compliance with Directions/Guidelines of Reserve Bank of India**

  Company has adhered to the prudential guidelines issued by the Reserve Bank of India and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time.

  Company has complied with the Guidelines and Directions issued by the RBI on Investments, Fair Practices Code and Customer Complaints Redressal Mechanism, Know Your Customer (KYC) and Anti Money Laundering Guidelines and other related aspects.

- **Compliance with the Secretarial Standards**

  The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

- **Change in Directors & KMPs**

  There were no change in the composition of Board of Directors during the year.

  Mr. Bikash Kumar Mishra, CFO has resigned from the Company w.e.f 16th March 2023 and Mr. Robin Karuvely has been appointed as Chief Financial Officer w.e.f 16.03.2023.

- **Statutory Auditors**

  M/s. Mukund M Chitale & Co. (Firm Reg. No 106655W) Chartered Accountants has been appointed as the statutory Auditors of the Company continue to hold office till the conclusion of the 14th Annual General Meeting.

  There were no frauds reported by the statutory auditors to Audit Committee or Board under Section 143(12) of the Act.

  The reports issued by Statutory Auditor does not contain any qualification, reservation, adverse remark or disclaimer.

- **Extract of Annual Return**

  Annual return in Form-MGT-07 has been posted in the website, the link of the same is mentioned below for reference https://www.manappuramhomefin.com/content/investors#AnnualReturn

- **Declaration from Independent Directors**

  The Company has received necessary declaration from each Independent Director of the Company as per Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).
  Weblink of Director familiarization program - https://www.manappuramhomefin.com/content/investors

- **Corporate Governance**

  The Company has framed the internal guidelines on Corporate Governance in terms with the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Direction, 2021 which have been hosted on Company's website https://www.manappuramhomefin.com/content/policy-index-details. The Company is committed to achieve the highest standards of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. The Board regularly reviews the Management's reports on statutory and regulatory compliances.

Board of Directors

The composition of the Board of Directors of the Company is governed by the relevant provisions of the Companies Act, 2013 and the Rules made there under. The Company's Board consists of Executive, Non-Executive and Independent directors with expertise and experience in the field of banking, finance, operations management, engineering, auditing and/or accounting.

Name of Director & DIN	Category of Directors	Total No of Meetings	No. of Board Meetings Attended	Number of Directorships in other Companies*
Mr. V. P Nandakumar Chairman DIN : 00044512	Non-Independent & Non-Executive	7	7	17
Mr. Gautam Saigal DIN:00640229	Non-Independent & Non-Executive	7	7	5
Mrs. Pratima Ram DIN:03518633	Independent & Non-Executive	7	7	9
Mr. Balakrishnan DIN:00052922	Independent & Non-Executive	7	7	7
Mr. Jeevandas Narayan DIN:07656546	Non-Independent & Non-Executive	7	7	2

*Directorship in both listed & unlisted companies including our company

Number of meetings of the Board

During the Financial year 2022-23,
Board met Seven times as mentioned below: -

Sl. No.	Date of the meeting
1.	13-05-2022
2.	15-06-2022
3.	02-08-2022
4.	06-09-2022
5.	09-11-2022
6.	01-02-2023
7.	22-03-2023

Disclosure on Composition of Audit Committee

The Company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013. Presently the Committee is chaired by Mr. Gautam Saigal (Non-Executive Director), Mrs. Pratima Ram (Non-Executive & Independent) and Mr. T. Balakrishnan (Non-Executive & Independent) as members. The Audit Committee acts in accordance with the Terms of Reference as approved by the Board and as per the policy on internal guidelines on Corporate Governance.

Audit Committee has met five times during F.Y. 2022-23 and all the recommendations made by the Committee to the Board were duly accepted. Details of the meeting along with the attendance of the members are as follows: -

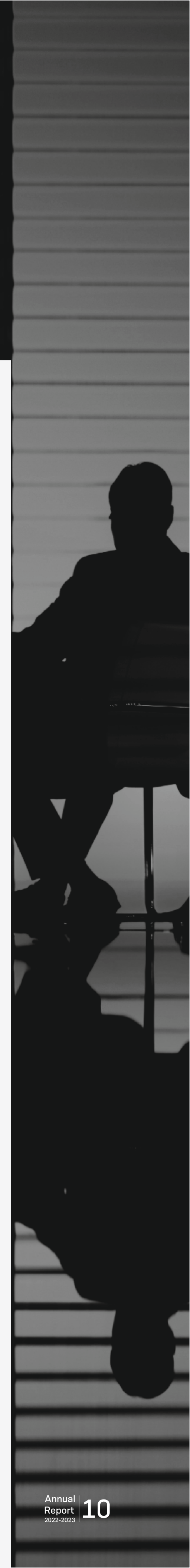
	Audit Committee Dates				
Name of Directors	12th May 2022	2nd Aug 2022	8th Nov 2022	1st Feb 2023	22nd Mar 2023
Gautam Saigal – Chairman	✓	✓	✓	✓	✓
T. Balakrishnan - Member	✓	✓	✓	✓	✓
Mrs. Pratima. Ram - Member	✓	✓	✓	✓	✓

The brief description of the scope of the **Audit Committee Charter** are as follows: -

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
2. Review and monitor the auditor's independence, performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditor's report thereon.
4. Approval or any subsequent modification of transactions of the company with related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the company, wherever it is necessary
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters.
9. Ensure that an Information System Audit of the critical and significant internal systems and processes is conducted at least once in two years to assess operational risks faced by the HFC.
10. Reviewing with the Management the annual financial statements before submission to the Board, focusing primarily on:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of section 134 of the Companies Act, 2013.
- Any changes in accounting policies and practices and reasons for the same
- Major accounting entries based on exercise of judgment by management
- Qualifications in the draft audit report
- Significant adjustments made in the financial statements arising out of audit findings
- The going concern assumption
- Compliance with Accounting Standards
- Compliance with the requirements of the stock exchanges, if applicable, and legal requirements concerning financial statements
- Disclosure of contingent liabilities
- Any related party transactions as per Accounting Standard 18 and the Companies Act, 2013
- Reviewing and evaluating the Company's financial and risk management policies and risk management systems.

Disclosure on Composition of **Nomination Compensation and Corporate Governance Committee**



The Company has constituted NCCGC in accordance with Section 178 of the Companies Act 2013. Presently the Committee is chaired by Mr. T. Balakrishnan - Independent Director, Mr V.P. Nandakumar-Non-executive Director & Ms. Pratima Ram - Independent Director as members.

The NCCG Committee acts in accordance with the Terms of Reference made by the Board and as per the policy on internal guidelines on Corporate Governance.

NCCGC has met three times during FY 2022-23. Details of the meeting attended by the members are as under: -

	NOMINATION COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE DATE		
Members	**13th May 2022**	**30th July 2022**	**1st February 2023**
Mr.T.Balakrishnan, Chairman	✓	✓	✓
Mr. V.P. Nandakumar, Member	✓	✓	✓
Mrs. Pratima. Ram, Member	✓	✓	✓

The brief description of the scope of the Committee are as follows: -

a. Framing a broader policy describing the qualification, Independence, other positive attributes for selection of Executive/whole time directors and fixing remuneration for the directors, key managerial personnel and other employees from time to time keeping in mind the applicable regulatory requirements.

b. Selection of directors, key management personnel and persons to be appointed in senior management positions as defined by the

Disclosure on Composition of **Nomination Compensation and Corporate Governance Committee**

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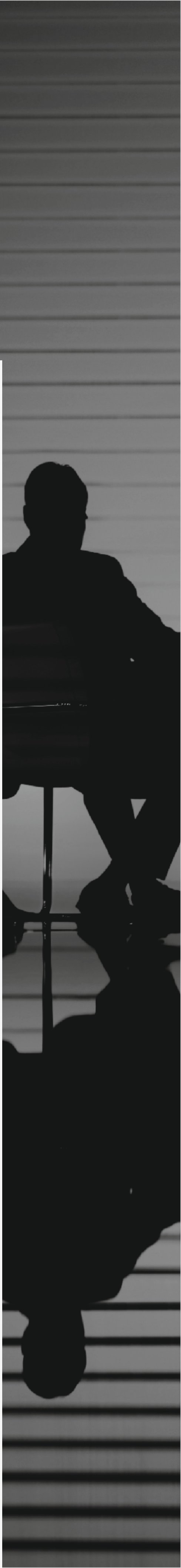


board and recommend to the board for their appointment and removal thereof.

c. Filling in a timely manner vacancy on the board of the company and evaluating the performance of every director.

d. shall ensure that there is no conflict of interest in appointment of directors and their independence is not subject to potential threats.

e. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

f. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

g. remuneration to Directors, KMPs and Executive team/ Senior Management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the Company and its goals.

h. On an annual basis, recommend to the Board, the remuneration payable to Directors, KMPs and Executive team of the Company. This includes review and recommendation of actual payment of annual and long-term incentives for KMPs and Executive team.

i. Review matters related to remuneration and benefits payable upon retirement and severance to, KMPs and Executive team.

j. Assist the Board in fulfilling its Corporate Governance responsibilities relating to remuneration of Board, KMPs and Executive team members. This includes review and approval of any information related to Directors, KMPs and their remuneration to be presented in the Annual report.

Asset Liability Management Committee

The Company has constituted an Asset Liability Management Committee (ALCO). The Committee functions under the supervision of the Board and within the regulatory framework.

The Committee will, inter-alia, specifically oversee the following:

a) Compliance with RBI Directions/Guidelines for Asset Liability Management
b) Debt Composition and plan of the Company for fund raising
c) Tenor of the Liabilities

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of MAHOFIN to:

a. Ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-7 days, 8-14 days, and 15-30 days bucket, which would indicate the structural liquidity.
b. The extent and nature of cumulative mismatch in different buckets indicative of short-term dynamic liquidity and
c. The residual maturity pattern of re pricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability.

ALCO has met Four times during FY-2022-23. Details of the meeting attended by the members are as under:-

	ALCO Committee Dates			
Members	**30th May 2022**	**05th August 2022**	**25th November 2022**	**13th March 2023**
Mr. V.P. Nandakumar	✓	✓	✓	✓
Mr. Suveen. P.S	✓	✓	✓	✓
Mr. Sandeep Kumar	✓	✓	✓	✓
Mr. Bikash Kumar Mishra (till 15th March 2023)	✓	✓	✓	✓
Mr. Robin Karuvely (w.e.f16th March 2023)	-	-	-	-
Mr. Himanshu Tyagi	✓	✓	✓	✓
Mr. Samjith. K. S	✓	✓	✓	✓

Risk Management Committee

The Company has constituted risk management Committee to review the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, review the functioning of the Risk Management Department and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company. The Committee meets periodically and reports to the top Management and Board. Committee shall function as per the charter of Risk Management Committee. Member representing risk department has made quarterly presentation on the Risk management.

Composition of Committee

i) Implementing the Risk Management Policy as approved by the Board of Directors. Reviewing the provisions of the policy periodically and recommending to the Board of Directors appropriate modifications or improvements if required.

ii) Provide a methodology to identify, quantify and analyze the company's exposure to loss arising out of probable uncertain event.

iii) Instilling a culture of risk awareness across the length and breadth of the organization.

iv) To develop and update a complete system for recording, monitoring, and communicating the organization's risk exposure/issues to Top Management and Board/Committee of Board.

v) Designing or assist in the designing of work processes or activities having risk implications, getting them approved, assisting in implementation of the processes and engaging in periodical review of the effectiveness of such processes.

vi) Development of 'models' for assessment of loss in projected circumstances.

vii) Limiting unfavourable outcome by containing risks and suggesting mitigation therefore.

Composition of Committee

(cont...)

viii) Take measures to put in place adequate liquidity risk management framework "which inter alia should cover adherence to gap limits, making use of liquidity risk monitoring tools and adoption of stock approach to liquidity risk. It will be the responsibility of the Board of each HFC to ensure that the guidelines are adhered to. The internal controls required to be put in place by HFCs as per these guidelines shall be subject to supervisory review."

Risk Committee has met four times during FY-2022-23. Details of the meeting attended by the members are as under: -

	RISK COMMITTEE DATES			
Members	**12th May 2022**	**30th July 2022**	**8th November 2022**	**25th January 2023**
Mr. Gautam Saigal	✓	✓	✓	✓
Mr.T.Balakrishnan	✓	✓	✓	✓
Mrs.Pratima Ram	✓	✓	✓	✓

Investment Committee

The Company has also constituted Investment Committee to consider safety, liquidity, credit risk, Interest Rate Risk and yield of the investment while making investments. The Investment Committee shall function as per the Investment Credit Committee Charter. Committee constituted with the following members:

Investment Committee

(cont...)

Name of the Member	Position	Category
Mr. V.P.Nandakumar	Chairman	Chairman
Mr. Suveen. P.S	Chief Executive Officer	Member
Mr. Bikash Kumar Mishra (till 15th March 2023)	Chief Financial Officer	Member
Mr.Robin Karuvely (w.e.f16th March 2023)	Chief Financial Officer	Member
Mr. Samjith K S	Chief Risk Officer	Member

The investment portfolio will be managed by the Chief Financial Officer, who will strive to invest with the judgment and care that prudent individuals would exercise in the execution of their own affairs, to maintain the safety of principal, maintain liquidity to meet cash flow needs and to provide competitive investment returns for MAHOFIN.

Financial Resource and Management Committee (FRMC)

The Board of Directors of the company has constituted the Management Committee on 29th October 2014, for assisting the Board in the day to day operations and for the smooth functioning of the company. The committee shall meet as and when it becomes necessary to consider the urgent matters coming up between two board meetings. Committee was reconstituted on 24th May 2021 and since then, continuing with the same members. Management Committee was renamed as Financial Resource and Management Committee in the Board meeting held on 13th May 2022 by extending the scope of the committee covering the securitization of portfolios.

Composition of Committee:

Name of the Member	Position	Category
Mr. V.P.Nandakumar	Chairman	Member
Mr. Gautam Saigal	Non-Executive Director	Member
Mr. Suveen. P.S	Chief Executive Officer	Member

Number of meetings of the FRMC

During the Financial year 2022-23, Financial Resource and Management Committee met six times as below: -

Sl. No	Date of the meeting
1.	29-06-2022
2.	29-09-2022
3.	28-11-2022
4.	31-12-2022
5.	09-01-2023
6.	27-02-2023

A summary of the business transacted by the committee as initialed by the Company Secretary shall be presented to the succeeding board meeting for the purpose of noting and recording.

IT Strategy Committee

The Company has also constituted IT strategy Committee in line with the NHB circular as IT Governance is an integral part of corporate governance and to advice on the strategic direction on IT and to review IT investments on Board's behalf. The IT Strategy Committee shall meet at an appropriate frequency but not more than six months shall elapse between two meetings. After the reconstitution of Committee on 10.02.2022 and since then, following directors are continuing as members of the Committee:

Members

Ms. Pratima Ram	Chairperson
Mr. T. Balakrishnan	Member
Mr. Jeevandas Narayan	Member
Mr. Gautam Saigal	Member
Mr. Himanshu Tyagi	CTO & CIO -Member

IT Strategy Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings. During the Financial year 2022-23, IT Strategy Committee met four times as noted below: -

12-05-2022
06-06-2022
08-11-2022
10-02-2023

Terms of Reference

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

Debenture Committee

The Company has also constituted Debenture Committee for public issuance of debentures of company. The Debenture Committee shall function as per the terms of reference fixed by the Board.

Composition of Committee:

Name of the Member	Position	Category
Mr. V.P.Nandakumar	Chairman	Chairman
Mr. Suveen. P.S	Chief Executive Officer	Member
Mr. Sandeep Kumar	Chief Operating Officer	Member
Mr. Bikash Kumar Mishra (till 15th March 2023)	Chief Financial Officer	Member
Mr.Robin Karuvely (w.e.f 16th March 2023)	Chief Financial Officer	Member
Mrs. Sreedivya. S	Company Secretary	Member

During the Financial year 2022-23, Debenture Committee met three times as noted below: -

28.10.2022
15.11.2022
21.11.2022

Stakeholder's Relationship Committee

Company has constituted Stakeholder's relationship committee with an objective of considering and resolving the grievances of security holders of the Company and also to ensure speedy disposal of various requests received from security holders from time to time; The Stakeholder's Relationship Committee shall function as per its Charter as follows:

- Formulation of policies and procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from security holders from time to time.
- The main objective of the Committee is to consider and resolve the grievances of security holders of the Company.

- To approve, register, refuse to register transfer / transmission of shares and other securities
- Monitor and review any investor complaints received by the Company or through SEBI; and SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary & Compliance officer and RTA of the Company.

Composition of Committee:

Name of the Member	Position	Category
Mr. Jeevandas Narayan	Non-Executive Director	Chairman
Mrs. Pratima Ram	Independent Director	Member
Mr. T Balakrishnan	Independent Director	Member

Name, Designation and Address of the Compliance Officer

Sreedivya.S
Company Secretary & Compliance Officer
Manappuram Home Finance Limited
5th floor, Manappuram House,
Valapad,Thrissur-680567
Email id: cs.sreedivya@manappuramhomefin.com
Mobile : 9387211117

The Committee shall meet as and when required. Two members either personally present or through electronic mode shall be the quorum.

The Company Secretary shall act as the Secretary to the Committee Meetings. The adequacy of this charter shall be reviewed and reassessed by the Committee as may be deem fit by the Committee and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about to the regulatory framework, from time to time. During the Financial year 2022-23, Stakeholder's Relationship Committee met once on 13th May 2022.

Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) which have substantial roles and responsibilities in respect of projects to be recommended to the board and for the monitoring of the CSR projects and reporting. Corporate Social Responsibility Policy (CSR Policy) indicate the activities to be undertaken by the Company, as approved by the Board.

Composition of Committee:

Name of the Member	Position	Category
Mr. Jeevandas Narayan	Non-Executive Director	Chairman
Mr. V.P. Nandakumar	Non-Executive Chairman	Member
Mr. T Balakrishnan	Independent Director	Member

i) Draft the CSR policy and recommend the same to the Board for approval.

ii) Review and recommend any new CSR initiatives to be taken up by the company including the selection/appointment of implementation agencies.

iii) Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects

iv) Review and recommend the CSR report to be included in the board's report.

v) Review and recommend any amendments to be made in the CSR policy of the Company.

vi) Formulate and recommend to the board the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act

I) Formulate and recommend to the board the manner of execution of such projects or programmes:

viii) Formulate and recommend to the board the modalities of utilisation of funds and implementation schedules for the projects or programmes:

ix) Formulate and recommend to the board monitoring and reporting mechanism for the projects or programmes:

x) Formulate and recommend to the board details of need and impact assessment, if any, for the projects undertaken by the company

xi) To carry such other functions as may be delegated to it by the board relating to CSR activities of the company.

During the Financial year 2022-23, Corporate Social Responsibility Committee (CSR Committee) met one time on 13th May 2022.

12. **Independent Directors Meeting**

During the year 2022-23, Independent Directors met on 22nd March 2023.

13. **Policy on Board Composition, Compensation & Evaluation Criteria & Related Disclosure**

The Board of Directors has adopted a policy on directors' appointment and remuneration for directors, KMP and other employees including criteria for determining qualification, positive attributes and independence of directors as laid down by the nomination and remuneration committee of the board which is attached to this report as Annexure I. The Board has also adopted some criteria for evaluating its own performance and of its committees and individual directors viz. Structure & Composition, extent of fulfilment of duties & key responsibilities Board process, information & functioning, effectiveness of meeting, relationship with Board & management, attendance, Professional Conduct, Duties, Role & functions, contribution to the Board, Committee &management.

14. During the year 2022-23, the Company has not provided/made any loan, guarantee as per section 186 of the Companies Act 2013.

15. During the year 2022-23, Auditors has reported to the Audit Committee, 2 case of fraud on the Company as per Sec 177 of the Companies Act 2013, by an employee, where Misappropriation and criminal breach of trust occurred for an amount aggregating to Rs 35.77 lacs. The Company is in the process of recovering the amount from the employee by taking legal action. The Company has created provision aggregating to Rs 35.77 Lacs towards the loss based on its estimate.

16. **Annual Evaluation**

Pursuant to section 35b (ii) of the Companies (Amendment) Bill 2016, Board of directors has carried out Annual evaluation of its own performance, its Committees and of individual directors. Nomination Committee reviewed the performance of the non-Executive directors (including Independent Director) based on the criteria such as attendance, Board composition, Board procedure, level of participation, contribution to the meetings and its decision making, Independence, Risk management, continuity on the board, and performance appraisal questionnaire etc. In addition, the Chairman was also evaluated on the key aspects of their role. The performance of the board and committee also evaluated by the board after seeking inputs from all the directors based on the criteria such as the composition and structure, effectiveness of board processes, information, and functioning.

For the FY 2022-23 Company has paid commission to the following Non-Executive Directors considering their service contribution to the functioning of the Board and their seniority, in Compliance with the relevant provisions of the Companies Act and the rules made there under.

Sl No	Name of Director	Commission (Rupees in Lacs)
1	Mr. T Balakrishnan	8
2	Mr. Jeevandas Narayan	11
3	Mr. Gautam Saigal	13
4	Mrs. Pratima Ram	8
	Total	**40 Lakhs**

17. **Particulars of contractors and arrangement with related parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were on an arm's length basis. Form AOC-2, as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014 is annexed as part of Board Report. **(Annexure-II)**

Further, as mandated under the Directions issued by the Reserve Bank of India and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time, the Company has formulated a Policy on Related Party Transactions and the Policy is Annexed as part of this Boards Report. (Annexure – III). The same has also been hosted on the Company's Website.

18. A. **Resources**

The Company, as an NBFC, mobilization of resources at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the Company .Management has been making continuous efforts to broaden the resource base of the Company so as to maintain its competitive edge. Your directors are confident that the Company will be able to raise adequate resources for onward lending in line with its business plan.

B. **Capital Adequacy**

As of March 31, 2023, the Company's total Capital Adequacy Ratio (CAR) stood at 33.17% which is well above the regulatory minimum of 15%.

19. **Credit Rating**

CARE & CRISIL has assigned ratings as mentioned.

Instrument	Credit rating agency	Ratings assigned
Loan Term Bank Facilities	CARE Rating	CARE AA- Stable
NCD Public Issue	CARE Rating	CARE AA- Stable
Long term bank loan	CRISIL	CRISIL AA-/stable
Commercial Paper	CRISIL	CRISIL A1 +

20. **Conservation of energy & Technology absorption**

Since the Company is not engaged in any manufacturing activity and its operations are not energy intensive, the disclosure relating to conservation of energy and technology absorption as stipulated under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

The Company actively pursues a culture of technology adoption, leveraging on the advancements in technology to serve customers better, manage process more efficiently and economically and strengthen control systems.

21. **Foreign exchange earnings and outgo**

During the year 2022-23, there were no foreign exchange earnings and outgo.

22. During the year 2022-23, the Company has not paid any Remuneration to the Non-Executive Directors except the sitting fee for attending the Board & Committee meetings and Commission as mentioned in Para 2 of the Clause 16 as above. *

23. During the year 2022-23, Company has not entered on any pecuniary relationship or transactions with the non-executive directors of the Company.

24. **Statement on Risk Management Policy**

The Company has a Board approved Risk Management Policy wherein all material risks faces by the Company viz. Credit Risk, Operational Risk, Regulatory Risk, Price, and Interest rate Risk are identified and assessed. Risk Management Department headed and managed by competent professionals for identification, assessment, and managing / mitigating risk related issues across the organization. For each of the Risks identified in the process, corresponding controls are assessed, and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

The Company has a duly constituted the risk management Committee from 11/02/2016. Chief Risk Officer will be a permanent invitee of the Risk Management Committee. Company Secretary shall be the Secretary of the RMC.

25. **Disclosure under Sexual Harassment of Women at workplace (POSH Act 2013)**

The Company has in place a Policy in line with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints, as and when received regarding Sexual Harassment and all employees are covered under this policy. The policy has been posted on the Company's website. During the year 2022-23, there were no complaints received under POSH.

26. **Whistle Blower Policy**

The Company has adopted a whistle Blower policy and established the necessary vigil mechanism for Directors and employees to report genuine concerns about un-ethical behavior, pursuant to the provision of section 177(9) and (10) of the Companies Act,2013. The mechanism provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the designated Member of the Audit Committee in appropriate or exceptional cases. It is hereby affirmed that no personnel of the Company have been denied access to the Audit Committee. There were no complaints from the employees during the year 2022-23. The whistle Blower policy has been hosted on the Company's Website which can be accessed https://www.manappuramhomefin.com/content/policy-index-details.

27. **The Directors' Responsibility Statement**

As required under clause (c) of sub-section (3) Section 134 of the Companies Act 2013, the Board of Directors to the best of their knowledge and ability, confirm that: -

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b. 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 and loss of the company for that period.

c. 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.

d. they have prepared the annual accounts on a going concern basis.

e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. **Disclosure of contingent liabilities: -**

    The Company does not recognize a contingent liability but discloses its existence in the financial statements.

29. **Applicability of CSR provision under Sec 135**

    The provisions of sec 135 of the Companies Act 2013 pertaining to the Corporate Social Responsibility is applicable to the Company during the Financial Year 2022-23. Details of the disclosures as per CSR rules are given in Annexure VII.

30. **Management Discussion and Analysis Report**

    The Management Discussion and Analysis Report forms part of the Board's Report. (Annexure-IV).

31. **Secretarial Auditors**

    In terms of Section 204 of the Companies Act, 2013 and the Rules there under, the Company has appointed M/s KSR & Co, Practicing Company Secretary firm, for conducting Secretarial Audit of the Company for the Financial Year 2022-23.

    No Fraud has been reported by the Secretarial auditors under Section 143(14) of Companies Act 2013.

    The Secretarial Audit Report for the Year, in Form MR-3 as prescribed under the Companies Act 2013 is annexed to this Board's Report (Annexure V).
    The reports issued by Secretarial Auditor does not contain any qualification, reservation, adverse remark or disclaimer.

32. **Information systems Audit**

    In terms of the Master Direction on Information Technology Framework, HFCs are required to have an information system audit at least once in a year.

    In compliance with the same, we are doing the Information Systems Audit at least once in every year. The Company has engaged M/s. PWC for conducting this audit for the FY 2022-23. The scope of the audit covers the effectiveness of the policies, IT systems, adequacy of internal controls, effectiveness of BCP and DR, compliance to legal and statutory requirements and the security testing of critical applications

33. **Details of adequacy of Internal Financial Controls and Internal Audit**

    Your Company has put in place, well defined and adequate Internal Control System and Internal Financial Control (IFC) mechanism commensurate with size, scale and complexity of its operations to ensure control of entire business and assets. The functioning of controls is regularly monitored to ensure their efficiency in mitigating risks. A comprehensive internal audit department functions in house to continuously audit and report gaps if any, in the diverse business verticals and statutory compliances applicable.

    During the year, Internal Financial Controls were reviewed periodically by the management and Audit Committee. Key areas were subject to various statutory and internal audits in order to review the adequacy and strength of IFC followed by the Company. As per the assessment, Controls are strong and there are no major concerns. The internal financial controls are adequate and operating effectively so as to ensure orderly and efficient conduct of business operations.

Your Company has an independent internal audit function headed by Mr. Binoy John whose appointment is done in terms of Section 138 of Companies Act 2013, to carry out regular internal audits to test the design, operations, adequacy and effectiveness of its internal control processes and also to suggest improvements to the management. Their observations along with management response are periodically reviewed by Audit Committee and Board and necessary actions are taken.

34. **Material Event Subsequent to the Date of Financial Statement**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the FY 2022-23 and the date of this report.

35. **Maintenance of Cost Records**

The Company is an NBFC, and hence the requirement under sub-section (1) of section 148 of the Companies Act, 2013 w.r.t Maintenance of cost records is not applicable.

36. **Particulars of employees and related disclosure**

Particulars of employees and related disclosures are annexed herewith as Annexure VI as per Section 197 of the Act.

37. **Significant & Material orders passed by the regulators**

During the year under review, no significant and material orders were passed by the regulator's courts or tribunals against the Company, impacting its going concern status or its future operations.

38. Weblink for Director's familiarisation programme posted on https://www.manappuramhomefin.com/

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

(i) The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption: Nil

. (ii) The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such debentures become due for redemption: Nil

40. **Acknowledgement**

Your Directors acknowledge and place on record its sincere appreciation and gratitude to the employees of the company at all levels for their dedicated service and commitments, to the National Housing Bank , Governments and its statutory agencies for the support, guidance and co-operation, to the Investors, shareholders Bankers and other financial institutions and customers for the whole hearted support and confidence reposed on the company and the management and to the general public at large for their blessings and good wishes the company has been receiving in good measure over the years.

For and on behalf of the Board of Directors of
Manappuram Home Finance Limited

Sd/-
V.P.Nandakumar
Chairman
(DIN: 00044512)

Place : Valapad
Date : 10/05/2023

Annexure-I

Nomination & Compensation Policy

As per section 178 of the Companies Act 2013, Board of directors has constituted Nomination and Remuneration Committee ("the Committee") which is a combination of Independent and Non-executive Directors. Committee in line with the Companies Act 2013and regulatory framework for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India (RBI), has formulated a Nomination and Compensation a policy on the criteria for determining the qualifications, positive attributes and Independence of a director and recommend to the Board a policy on the remuneration for the directors, KMPs and other employees. In line with the above statutory requirement under sections 149 and 178 of the Companies Act, 2013 the following policies are proposed to be adopted for the appointment of directors and the matters connected therewith.

Definitions

Unless the context otherwise requires, the following words and expressions shall have the meaning provided herein: -

I. **Act -** means the Companies Act, 2013 including any amendments and reenactments from time to time.

ii. **Board -** means the collective body of directors of the Company.

iii. **Director -** means a director appointed on the board of the company.

iv. **Independent director -** means an independent director referred to in sub-section (5) of section 149 of the Companies Act, 2013

v. **Nomination Committee -** means the Nomination Compensation and Corporate Governance Committee of the Board.

vi. **Committee -** means the committees of directors constituted by the Board.

The Nomination Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions with the prescribed requirements in consultation with the Board.

While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

Board diversity is largely framed to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of the members in a way that collectively benefits the organization and business. The basic essence is to provide a framework for leveraging on the differences within the expertise of the Board, offering a broad range of perspectives that are directly relevant to the business. A truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will amongst others–

a. Enhance the quality of decision making and ensure better business performance.

b. Encourage diversity of perspectives thereby fueling creativity and innovation.

c. Complement and expand the skills, knowledge, and experience of the Board as a whole.

d. Provide better Corporate Governance.

The board of Directors of the Company should have a fair combination of executive and non-executive Directors with not less than 50 percent being Non-Executive Directors. The Company shall maintain the strength of Independent Directors on its board keeping in mind the regulatory requirements and guidelines on Corporate Governance.

The Company shall appoint Directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the Company. The desired diversity may be fixed by the Nomination and Remuneration Committee ("the Committee") based on the nature of business of the Company from time to time. The diversity of the total board may include the following.

Expertise in; i. Banking, Finance, Accountancy, Taxation

ii. Governance, Regulatory background, Law and practice

iii. Management, Administration

iv. Engineering, Human resource, Subject of social relevance

v. IT, Marketing

Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC.

All Board appointments will be done on merit, in the context of skills as required for the areas of our business operations, management and also expertise in the fields of regulatory, legal, research, human capital management, strategic planning, marketing and general administration.

The Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified people to occupy Board positions.

Any new member proposed to be inducted in the Board, preferably to be with Corporate Board Experience of at least 3 years in any related customer facing and regulated company.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member. Accordingly, the Committee shall:

1. assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,

2. make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience, and expertise on the Board, and

3. periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

(I) Appointment of Independent Director

The company shall maintain the strength of independent directors on its board keeping in mind the regulatory requirements issued from time to time and as per the present norms, Company shall have at least Two directors as Independent Directors. On selection of an independent director, the Chairman of the Board/Managing Director shall issue a letter of appointment to the director.

The independent directors appointed in the company will have a tenure of 5 years. They can be re-appointed for another term of 5 years in compliance with the applicable provisions of the Companies Act. Any intermittent vacancy caused of an independent director shall be filled up by the Board within a period of 3 months or at the next board meeting whichever is earlier.

An independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. A timeline of two years is provided with effect from October 01, 2022, to ensure compliance with these norms. Further, the Board shall ensure that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time. There shall be no restriction to directorship on the Boards of NBFC-BLs, subject to applicable provisions of Companies Act, 2013.

II. Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

1. Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience, and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, or other disciplines related to the company's business.

2. Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

3. Independence of Independent Directors:

While considering the appointment of an independent director, the nomination committee and the board shall ensure that the incumbent satisfies the test of independence as provided under the Companies Act, 2013 as below: -

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or Directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

(d)none of whose relatives—

(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or Directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company

(f) An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

(g) None of the relatives of an independent director, for the purposes of sub-clauses (ii) and (iii) of clause

(d) of sub-section (6) of section 149,-

(i) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors; or

(ii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company,for an amount of fifty lakhs rupees, at any time during the two immediately preceding financial years or during the current financial year.

The board shall on a continuous basis ensure that the independent directors continue to maintain their independence during their tenure on the board. To ensure the same, the board may obtain proper declarations from the directors at the time of appointment, annually and at such intervals as the board may deem fit.

Institutionalised Process and procedure for sourcing (including internal candidates) screening, selection and appointment of KMPs.

Any appointment to the role of Key Managerial Personnel, excluding the position of Managing Director shall be proposed to the Nomination and Remuneration Committee of the Board after an initial screening and selection by a panel constituting the Managing Director and Head of HR.

Institutionalised Process for sourcing, screening, selection, and appointment for whole time Directors (MDs and EDs (if applicable)).

Any appointment to the role of Managing Director/Executive Director (if applicable) shall be proposed to the Nomination and Remuneration Committee of the Board after an initial screening and selection by a panel constituting of 3 or more Directors as may be decided by the Board, which shall mandatorily include the Chairman of Nomination and Remuneration Committee and Chairman of the Board. The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

The Nomination Committee shall periodically review the mix of Executive/Non -Executive, Independent/Non-Independent Directors vis-à-vis the extant regulations. The Committee shall also review the skillsets required for a proposed candidate and the process for sourcing, selection, and appointment of Independent / Non - Executive Directors, once a vacancy is identified including impending vacancies based on future retirements.

Succession planning for appointment to board and senior management positions.

The board may identify suitable persons to be appointed to the board positions for filling up vacancies. The vacancies caused by the exit of an Independent Director may be filled by the appointment of an Independent Director. However, if the vacancy does not affect the strength of the minimum required Independent Directors, the board may or may not fill the vacancy as it may deem fit. Suitable candidates may be identified by the Directors from reputable references or from data banks maintained by industry associations, professional bodies, or nongovernmental organizations or by inviting applications through any media.

Vacancies in senior positions in the Company may be filled by a system of promotion of existing employees based on appropriate screening procedures set by the Nomination committee from time to time. In the event of no suitable candidate being found fit for promotion, a suitable person from any of the group companies, or from outside may be chosen.

The company may identify critical positions and shall devise a system of proper mentoring to identify officers of the Company to take up the senior positions wherever a vacancy is caused to ensure the business continuity in the best interest of the Company.

(III) Performance Evaluation

The nomination committee and the board shall put in place a mechanism for the review of performance of the Board, Committees, and individual directors. The review of Performance shall be undertaken annually preferably before the next Annual General Meeting and a statement indicating the way formal annual evaluation has been made by the Board of its own performance and that of committees and individual directors shall be annexed to the Directors Report.

(IV) Remuneration Policy forExecutive Directors and Non- Executive Directors/ Independent Directors

- The remuneration and commission of Executive and Non- Executive Directors/ Independent Directors shall be recommended by the Committee to the Board of Directors and shall be subject to the provisions of Companies Act, 2013.
- The remuneration for Executive Directors shall be arrived at by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry, future contribution, etc. The elements of the remuneration and limits are applicable as defined in the Companies Act, 2013 and rules/ schedules made thereunder.
- The remuneration of Executive Directors shall be divided into two components i.e. fixed and variable. The fixed component comprises salary, allowances, perquisites, provident fund, gratuity etc. The variable component comprises annual performance pay which may be a fixed amount as decided by the Board.
- At the beginning of each financial year NRC with the approval of the Board shall prescribe KPIs for MD and Executive Directors.
- Any variable pay shall be in compliance with RBI guidelines contained in circular dated April 29, 2022

  The Non-Executive and Independent Directors of the Company would be paid sitting fees within the permissible limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings. The sitting fee shall be decided by the Board from time to time on the recommendation of the Committee. In addition to the sitting fees, the company will bear or reimburse the normal travelling, boarding, and lodging expenses of directors incurred for the purpose of attending board/committee meetings or for attending any other duties on behalf of the company.

- In case of profits/inadequate profits/ losses, the Directors may also be paid remuneration by way of Commission as defined in the Companies Act, 2013 read with Schedule V of the said act. The Committee shall recommend to the Board the payment of Commission to Directors.
- The Board of Directors shall decide the actual amount to be paid to each Non-Executive/ Independent Director based on factors such as meetings attended by the Director, time and effort put in and the contribution made by them.
- Independent Directors shall not be entitled to stock options.

REMUNERATION TO KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT TEAM

As per RBI directives contained in its circular dated 29 April 2022, the Company has framed a compensation policy applicable to KMPs and Senior Management personnel (SMPs) details of which are annexed as Annexure A to this policy document.

(V) Applicability of Law

Changes in the underlying Act / Regulations or guidelines may supersede the provisions of this policy. At any time if there is any amendment to the applicable laws or regulations or guidelines affecting the provisions of this policy, the policy shall be deemed as amended to the extend applicable and the amended provisions will take effect from the date of Change in the underlying laws/ regulations or guidelines.

VI) Amendment to the policy.

The provisions of this policy may be amended by the Board at any time on the recommendation of the Nomination Committee.

Annexure A

Manappuram Home Finance Ltd
Compensation policy

(Applicable for Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) and Other Employees)

1. **Objective of the policy**

The policy seeks to achieve the following objectives.

a) To establish guidelines for remunerating employees fairly and in keeping with Statutes

b) To determine a level of compensation based on the Company's business outlook, financial position, growth and trends and practices on remuneration prevailing as the best practices in competitive compensation based on fairness and equity.

c) To align reward and recognition mechanism directly to the effort, commitment, performance, dedication, and achievement relating to the Company's operations

d) To attract, retain, motivate, and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

e) To 'Pay for Performance' i.e., the compensation shall be linked to the performance and to strike the right balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the goals of the company.

f) To ensure compliances and maintain high standards to governance In the context of the aforesaid, the following policy has been formulated

2. **Scope of the policy**

This Policy is applicable to all Key Managerial Personnel (KMPs) including MD &CEO, Executive Director and other members of the Key Managerial Personnel, Senior Management personnel (SMPs) of the Company (together referred to as "Covered Employees").

3. **Definition(s)**

3.1. "Key Managerial Personnel" (KMP) as defined in section 2(51) of the Companies Act, 2013("the Act") means:

(I) the Chief Executive Officer or the Managing Director.

(ii) the Company Secretary.

(iii) the Whole-time Director.

(iv) the Chief Financial Officer.

(v) such other officer, not more than one level below the CEO who is in whole time employment, and designated as Key Managerial Pommel by the Board: and

(vi) such other officer as may be prescribed.

3.2. "Senior Management" shall mean officers/personnel of the Company who are members of its Core Management Team and are specially designated by the management with the approval of the NRC/Board and may include all members of management one level below the chief executive officer/managing director/whole-time director and who does not come under the KMPs.

3.3. Nomination, Remuneration and Corporate Governances Committee ("NRC") shall mean a committee of the Board having the constitution, powers, functions, and duties as laid down in section 178 of the Companies Act, 2013, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Guidelines and other applicable legal provisions.

3.4. A "malus" arrangement shall mean where the Company prevents the vesting of all or part of the amount of a deferred remuneration.

3.5. A "clawback" arrangement shall mean a contractual agreement between the Covered Employees and the Company in which the Covered employee agrees to return previously paid or vested remuneration to the Company under certain circumstances or empowers the Company to recover previously paid or vested remuneration by the company under certain circumstances.

3.6. "Retention period" shall mean a period of time after the vesting of instruments which have been awarded as deferred compensation during which they cannot be sold or accessed.

4. **Underlying Principles for the policy.**

The policy is prepared based on certain specific principles in the context of our operations as detailed below.

- To align the compensation with the long-term interests of the Company and its shareholders
- To be transparent as far as possible simultaneously ensuring less complexity.
- Align the parameters to annual business performance of the company.
- To ensure meritocracy and is linked to key performance and business drivers.
- Reflective of market competitiveness so as to attract the best talent.

5. **Compensation Structure**

The broad structure of compensation payable to Covered Employees shall be as under:

Fixed pay which has components like basic salary & other allowances as per the grade and position fixed by the Company based on the scale and position of the employee in the company in accordance with the HR policy in force and may include.

Benefits such as company provided car, medical & dental benefit, loans, insurance benefits, vehicle fuel and maintenance expenses, club membership, mobile instruments, etc., as per the Policy of the Company

Retirals such as PF, Gratuity & contribution towards pension fun. Joining / sign-on bonus for new KMP / Senior management hiring may not be part of fixed pay.

Any one-time sign on Bonus paid shall not counted as part of the Fixed pay.

5.1 Variable Pay

a) Annual component - based on individual performance against the Key Performance Indicators (KPIs) agreed and also to include the overall company performance. While the KPIs will be set by the NRC in respect of Whole time Directors, KPIs in respect of KMPs and SMPs who are subject to variable pay shall be fixed by MD &CEO in consultation with NRC

b) Deferred compensation – in the form of Long-Term benefits in cash or otherwise as decided by the Management.

6. **Role of NRC:**

a) NRC shall be responsible for framing, review, modifying and implementation of this Policy, subject to the approval of the Board of the Company.

b) NRC shall recommend to the Board all remuneration, in whatever form, payable to KMPs and Designated Senior management personnel (SMPS).

c) NRC shall ensure that related RBI Guidelines pertaining to the composition and

d) proportion of fixed and variable pay shall be adhered to while determining the

e) compensation of the KMPs and SMPs, including but not limited to the following conditions:

- The compensation shall achieve a fine balance between the attractiveness for the concerned employee on the one hand and profitability & capital adequacy of the Company on the other hand.
- For all reimbursements, which are part of the fixed pay, there should be a monetary limit specified in the internal grade-wise policies of the Company.
- The proportion of variable pay vis a vis Fixed pay shall be dependent on the level of the employee, roles they carry.
- NRC shall also determine a representative set of situations for invoking the malus / claw back arrangements.

7. **Malus Clause/ Claw back:**

a) Any deferred compensation will be subject to malus/claw back.

b) arrangements in the event of occurring of agreed events during the period for which the conditions will be applicable. Such conditions may be fixed by the NRC in consultation with the Board.

c) The terms of appointment of KMPs, and Senior Management of the Company shall contain suitable clauses on malus/clawback, as recommended by the NRC and approved by the Board.

8. **Approval and Amendments**

a) The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the policy entirely with a new policy, based on the recommendation(s) of NRC, from time to time.

b) Statutory/ regulatory provisions and any amendments thereon, made from time to time shall be binding on the Company and will be complied with even if not specifically incorporated in this Policy.

9. **Limitation**

In the event of any conflict between the provisions of this Policy, SEBI Listing Regulations/ the Act, and rules thereunder, RBI Guidelines or any other statutory enactments, the SEBI Listing Regulations /the Act, and rules thereunder, RBI Guidelines or any other statutory enactments shall prevail over this Policy.

Annexure-II

Particulars Pursuant to clause (H) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules ,2014

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.
   All transactions entered into by the Company during the year with related parties were on an arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis:
   The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature. However, the transaction details are as follows.

SL NO	Particulars	Details
a)	Names (s) of the related party & nature of relations	1. MANAPPURAM FINANCE LIMITED (Holding Company) 2. MANAPPURAM COMPTECH AND CONSULTANTS LIMITED (Group Company) 3. MANAPPURAM FOUNDATION (Charitable Trust) 4. Manappuram Travels (promoter entity)
b)	Nature of Contracts/ arrangements/transactions	1. Proposal for availing vigilance module from Macom 2. Approval for renewal of revolving credit facility from MAFIL for Rs.100crores & 50 Crores 3. RPT-Execution of renewal agreement of 100 crore MAFIL Loan 4. Approval for revising the rent payable to MAFIL for MAHOFIN Valapad area which was covered under SLA
c)	Duration of the contracts/ arrangements/transaction	1. Duration not specified. Can be terminated on mutual consent of both the parties.

d)	Salient terms of the contracts or arrangements or transaction including the value if any	1. Payment under SLA to MAFIL : Rs 154.83 Lakhs. 2. Manappuram Finance Ltd : SME DA Fees Rs 1.10 Lakhs SME Portfolio buyout Rs 233.93 Lakhs 3. Repayment of loan to MAFIL : Rs 1500 lakhs. 4. Repayment of interest on loan to MAFIL : Rs 15.71 Lakhs. 5. Manappuram Comptech & Consultant Ltd (software Expenses) : Rs 345 Lakhs 6. Manappuram Finance Ltd (Training & Education) : Rs 16.32 Lakhs 7. Manappuram Travels (Traveling Expenses) : Rs 6 Lakhs 8. Loan taken from MAFIL : Rs 1500 Lakhs
e)	Date of approval by the Board	• Proposal for availing vigilance module from Macom – 13.05.2022 • Execution of renewal agreement of Rs.100crores & 50 Crores – 02.08.2022 • RPT-Execution of renewal agreement of 100 crore MAFIL Loan – 01.02.2023 • Approval for revising the rent payable to MAFIL for MAHOFIN Valapad area which was covered under SLA - 01.02.2023
f)	Amount paid as advance, if any	Nil

Annexure III

Policy on materiality of related party and manner of dealing with related party transactions.

Objective

Manappuram Home Finance Ltd (MAHOFIN or Company) is governed, amongst others, by the rules and regulations framed by the Reserve Bank of India/National Housing Bank. RBI has mandated every HFC to frame & disclose the policy on dealing with Related Party Transactions and the materiality of Related Party Transactions on its website and in the Annual Report vide their Master direction date February 17,2021.

Accordingly, the Company has formulated this policy on Materiality of Related Party Transactions and to dealing with Related Party Transactions (Policy). This Policy regulates all transactions between the Company and its related parties.

1. **Title and commencement : -**

   This policy will be known as the Related party Policy of Manappuram Home Finance Ltd. and will be effective from the date as may be specified by the Board.

2. **Important definitions**

   "Act" means the Companies Act 2013 and rules made there under as amended from time to time

   Audit Committee' or the 'Committee' means the committee of the Board of Directors of the company constituted under the Companies Act 2013 or its earlier enactment.

   Board means Board of Directors of the Company.

   "Holding Company" shall have the meaning as specified under Section 2(46) of the Companies Act 2013

Key managerial personnel means.

- i. Managing Director & Chief Executive Officer, Executive Directors, and Directors in the whole-time employment of the company
- ii. Chief Financial Officer
- iii. Company Secretary.
- iv. And any other person as may be prescribed by the Central Government and to be applicable to the company.

"Material Modification" means such modification to existing related party transaction which in the opinion of Independent Directors is material

"Material related Party transactions" Means a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company or Rupees 1000 crores whichever is lower as per the last audited financial statements of the company.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

"Related party"

Related party, with reference to a company, means-

- I) A director or his relative.
- ii) Key managerial personnel or his relative.
- iii) A firm in which a director, manager or his relative is a partner.
- iv) A private company in which a director or manager is a member or director.
- v) A public company in which a director or manager is a director or holds along with his relatives, more than two percent of its paid-up share capital.
- vi) Anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instruction of a director or manager.
- vii) Any person on whose advice, direction, or instructions a director or manager is accustomed to act. Provided that nothing in sub clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity.
- viii) Any company which is
  A) A holding, subsidiary, or an associate company of such company
  B) A subsidiary of a holding company to which it is also a subsidiary
- ix) And such other entity which is a related party as provided under the applicable accounting standards

"Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

"Related party transactions"

means a transaction involving a transfer of resources, services or obligations between :

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries with effect from April 1, 2023; regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

b) The following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

   i. payment of dividend.
   ii. subdivision or consolidation of securities.
   iii. issuance of securities by way of a rights issue or a bonus issue; and
   iv. buy-back of securities.

c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

3. **Policy**

All Related Party Transactions and subsequent material modifications to such material modification shall be approved by the Audit Committee and the same shall be recommended to the board for its approval if the same is not in the ordinary course of business and arm's length basis. All material related party transactions and subsequent material modifications as defined by audit committee shall require the approval of shareholders by way of ordinary resolution.

No related party shall vote on a resolution even if such party is not related to the particular transaction under consideration and the same shall be passed in the general meeting.

4. **Approval of Audit Committee of Holding company**

The prior approval of Audit committee of Listed holding company shall be required for a related party transaction involving listed subsidiary and any other person but listed holding company is not a party to such transaction if Regulation 23 and Regulation 15(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015 is not applicable to such listed subsidiary.

5. **Identification of Potential Related Party Transactions**

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

6. **Manner of dealing with related party transactions.**

   i. Company will entertain only such transactions which are in the interest or beneficial to the company and are at arm's length basis.

   ii. All the related party transactions other than the remuneration/ compensation to any director or key managerial personnel in connection with the discharge of his or her duties in the company, its holding, subsidiary or associate company including the re-imbursement of reasonable expense towards travel, boarding and lodging, other perquisites or benefits as per the terms of employment or contract of service or as per the tradition or practice or pursuant to any provision of any statue and shall require the prior approval of the board after the review and recommendation by the audit committee.

   iii. The approval of the Board for a transaction shall be by means of a resolution passed at its meeting.

7. **Manner of dealing with material related party transactions**

   a. Company may enter in to any material related party transactions as defined in this policy only with the prior approval of the shareholders by way of a resolution passed either at a meeting of the shareholders.

   b. Any proposal for a material related party transaction shall be reviewed by the audit committee and recommend to the board before it is placed before the shareholders for approval.

   c. The related party shall not cast votes on the resolution even if he is not a related party to the transaction placed for approval by shareholders.

8. **Nonmaterial transactions and pecuniary relationships**

   i. For this policy, directors, including independent directors and key Managerial personnel may enter transactions with the company in the ordinary course of its business at arm's length prices where such transactions do not involve a consideration or commercial value exceeding Rs.10. million in the aggregate during a financial year. However, they shall not enter any negotiated transactions, contracts, or other arrangements with the company without complying with the other provisions of this policy.

   ii. Any transaction in which the Related Party's interest arises solely from ownership of securities, if any, issued by the Company and all holders of such securities receives the same benefits pro rata as the Related Party.

9. **Parent & Associate companies**

   a. All related party transactions with the Parent company & its associates require the prior approval of the audit committee and the board. The company may enter into a transaction with its Parent company & its associates if they are urgent in nature and have to be undertaken in between two scheduled board /audit committee meetings and in such case the same shall be approved by resolution by circulation and the same shall be taken note of at the next board / committee meetings with all relevant particulars.

10. **Review and Approval of Related Party Transactions**

    While considering any related party transaction, the Committee shall consider all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. Any member of the Committee who has a potential interest in any Related Party Transaction will refuse himself or herself and abstain from the discussion and voting on the approval of the himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

The Committee shall be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In addition, while reviewing the transactions, the committee shall be entitled to call for additional information or opinions of expertise at the cost of the company and to demand for the attendance of any officer or other employee of the company.

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and in the ordinary course of business
- Whether the Related Party Transaction would affect the independence of an independent director.
- Whether the proposed transaction includes any potential reputational risk issues that may arise because of or in connection with the proposed transaction.
- While considering the arm's length nature of the transaction, the Committee may consider the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions

  Have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.
- Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

11. **Omnibus Approval**

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval. For granting omnibus approval, the committee shall specify the following details:

- Name of the related party.
- Nature of the transaction.

- Period of the transaction.
- Maximum amount of the transactions that can be entered in to
- Indicative base price / current contracted price and formula for variation in price, if any.
- Justification for the omnibus approval.

Provided that where the need for Related Party Transactions cannot be foreseen and aforesaid details are not available Audit committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore for each transaction

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved.

The omnibus approval shall be valid for a period of one financial year and fresh approval shall be obtained after the expiry of one year.

12. **Manner of dealing with unregulated related party transactions.**

Where the company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision, or termination of the Related Party Transaction.

The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate or submit their recommendation to the Board.

13. **Disclosure and Recording of Related Party Transactions:**

a. Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.

b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013.

c. The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

14. **Amendment to the policy**

The policy may be updated or modified in accordance with the changes to the threshold limits or as may be required by the amendments to the applicable laws and regulations with the approval of Board of directors.

15. **Communication of the policy**

This Policy will be published on the website of the company and a link will be provided in the annual report of the company the publication on the web site will constitute a notice to all to whom it is applicable.

16. **Effective date and applicability**

The policy shall be effective from the date of approval of the policy by the Board.

Annexure IV

Manappuram Home Finance Limited

Management Discussion and Analysis Report

Industry Structure and Developments

Housing finance, in general, is a sector that is yet to see optimal penetration in terms of the extent of credit facilities availed. Housing finance companies in India are likely to witness a portfolio growth of almost 10-11% per cent in FY 2023-24, as interest rate hikes are expected to see a pause after a 250 bps hike in the year 2022-23. This comes on top of an expected 9-11 per cent growth in this portfolio in FY 2022-23, according to a report by rating agency ICRA. Non-banking finance companies and housing finance companies are expected to witness traction in their housing loan portfolio. Their on-book portfolio is estimated at Rs 12 lakh crore, up 10 er cent year-on-year, in FY2023. Going forward, the growth trend is expected to continue, driven by healthy demand in the industry, increasing level of economic activity and stabilization in the rate of interest.

The recovery in the housing finance sector started right after the first wave of Covid-19 when the residential housing market in India has shown a remarkable recovery. While this recovery was driven by the concession in stamp duty in some states, lower interest rates, discounts, and developers' schemes, the momentum continued even during the second wave suggesting resilient end-user demand.

The affordable housing segment (with ticket size up to Rs 35 lakh) constitutes almost 90 per cent of the market by volume and nearly 60 per cent by value. A thriving housing finance market has positive ripple effects on affordable home-buying. While this segment faced a temporary blip during Covid due to income insecurity among potential buyers, that may now be a thing of the past. The government's continuing policy thrust on affordable housing, restoration of normalcy after the pandemic induced disruptions and the prevailing low-interest rate regime are likely to give a boost to the segment.

Role of technology

Digital technologies like artificial intelligence and machine learning are not only valuable for selling homes, but also help in increasing home loan accessibility across income groups and geographies. Moreover, majority of EMI collections today are either through salary deductions or NACH mandates, which get auto-debited on the due date chosen by the borrowers. This enables seamless online payment by borrowers without visiting branches.

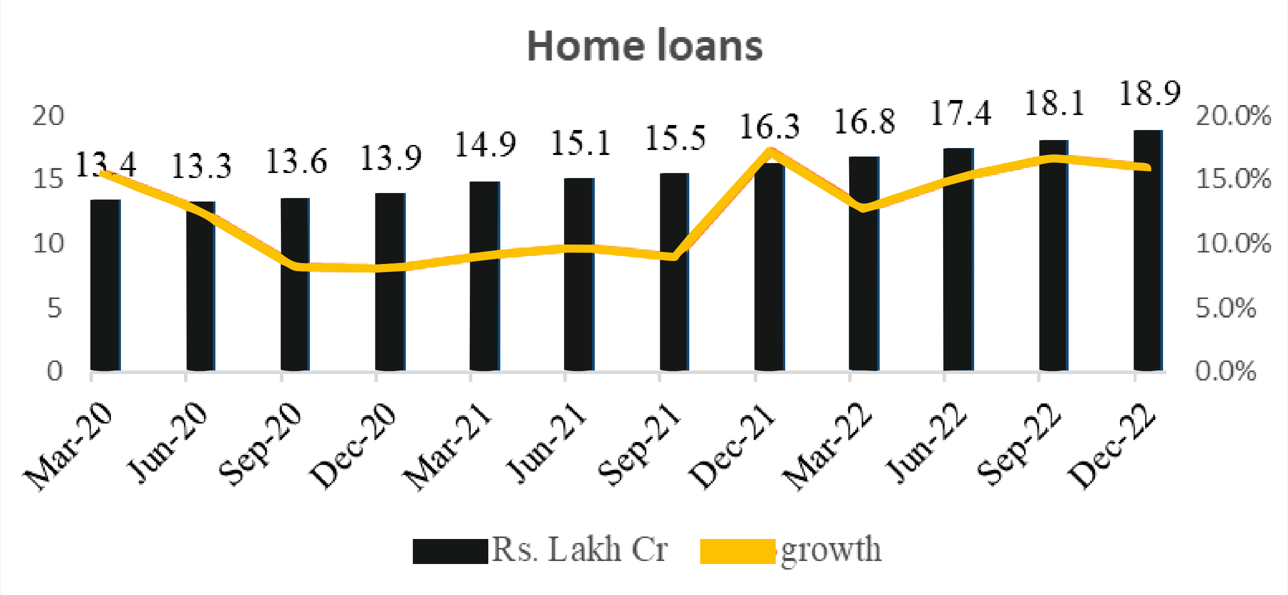
	Overall Home Loans			Affordable Home Loans		
	March 2020	March 2021	March 2022	March 2020	March 2021	March 2022
Portfolio Outstanding (Rs lakh crore)	20	22.5	25.5	12	13	14
y-o-y growth in value	8.8%	12.4%	13.3%	7.6%	8.3%	7.9%
Active number of loans (in lakhs)	114.7	124.2	135.3	98.7	104.9	111.2
y-o-y growth in volume	8%	8.3%	9.0%	7.1%	6.4%	6.0%

Source: CRIF High Mark Report

Share of Housing loans in Banks' Credit portfolio

Housing loans form the largest single segment of lending by banks. The rapid growth of housing loans in banks' portfolios over the last two decades has resulted in these loans becoming a significant component of the overall loan portfolio of banks.

Growth of Housing Bank Credit



Source: RBI

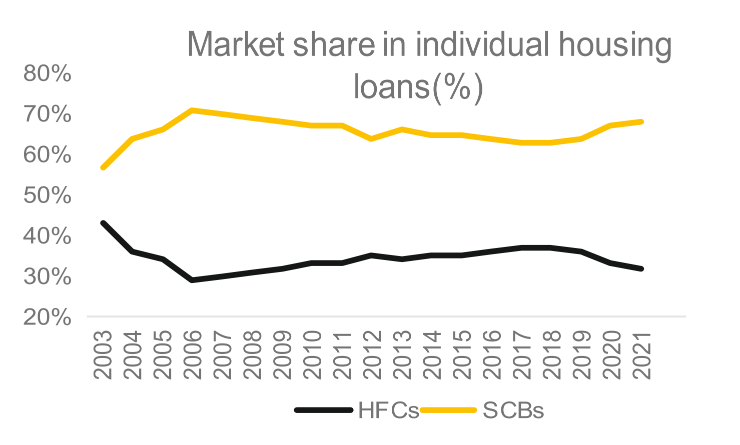
Growth of bank credit to housing had slowed a bit during the pandemic but in FY23, the growth in housing loans was in mid double digits. This was despite interest rates seeing an increase in 2022-23, buttressing the fact that housing continues to be an aspirational product and most of the growth has also been driven by the affordable housing segment.

Overview of Housing Market

Housing development and democratized homeownership are important economic and social policy objectives in India. Economic development and rising per capita income have created a new aspirational class. Owning a home is an essential part of one's aspirations. The housing finance sector in India comprises financial institutions, scheduled commercial banks, regional rural banks, agriculture, and rural development banks, housing finance companies, state-level apex co-operative housing finance societies, non-banking financial companies (NBFCs), Finance institutions (MFIs), and self-help groups.

The purpose of a housing finance is to provide funds to aspirational home buyers. The important feature of any financing scheme is the ability to channel the funds of investors to those purchasing their homes. The role of housing finance is to eliminate obstacles and contribute to better living standards for a thriving economy. This will directly or indirectly generate demand for industries and in turn lead to more job creation. India has changed socially and there is little stigma attached to borrowings. The major reasons for the emergence of housing finance as a major business activity in the country are easy affordability of housing, declining property prices, reduced interest rates, attractive tax incentives, supportive government policies (PMAY), and an increase in overall household incomes.

The affordable housing sector has emerged as a major source of housing finance. To provide greater impetus to the scheme, the Pradhan Mantri Awas Yojna was initiated to ensure housing is within the reach of the middle and lower income strata and usually houses costing up to Rs 35 lakh comes under this category. Various tax incentives like exemptions have also been provided to boost the scheme.

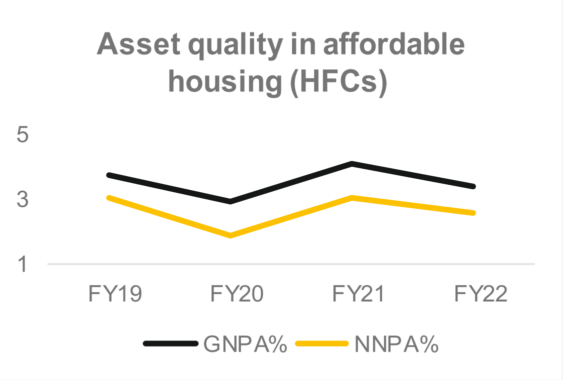


In India, the real estate industry is the second largest employment generator after agriculture. According to estimates, around three houses are built per 1,000 people every year as against the required rate of five. This indicates that there is significant untapped potential for growth in the sector. While the current shortage in housing in urban areas is pegged at around 10 million units, the shortage in the affordable housing space is expected to be much higher considering the population belonging to the middle and lower middle income strata. Along with this, increased economic growth and the uptick in India's service sectors have created additional demand for office space, which in turn is likely to result in greater demand for housing, going forward. From the point of view of financing, the IL&FS crisis created problems in the NBFC sector, which is a major source of funding for the real estate sector. Moreover, the Covid-19 outbreak in early 2020 and the series of lockdowns that followed caused acute stress to the residential real estate segment during the first half of calendar year 2020. However, as economic activity began to pick up post the pandemic, its resonance was found in the real estate sector also. Moreover, products like real estate investment trusts (REIT) has been gaining traction as a major source of investment in this space. As 2023-24 is likely to see stability in interest rates, the momentum seen in the real estate and housing space is expected to be sustained.

Major Challenges

Despite growth in disbursement, there are challenges ahead of the Indian housing finance industry. The HFCs are working hard to minimize the housing problems by reducing the lending rate and encouraging people to become owners of their houses. However, they have so far only scratched the surface of the problem. The housing shortages persist due to the multi-dimensional problems encountered by HFCs themselves. A few important challenges are discussed below.

Increasing Burden of Non-Performing Assets: Recovery is a key challenge in home loans. After liberalization in banking reforms, the availability and accessibility of loans have become easier. But problems persist on the recovery and repayment fronts. Recovery is a costly and time-consuming activity. For instance, the SARFAESI Act, under which banks initiate recovery, is a cumbersome and time-consuming process and even if the property is auctioned, there is no guarantee of a fair price being recovered. However, HFCs have historically had much lower default rates in this regard compared to banks and other financial institutions. Other challenges that crop up on this front are frauds, fake title deeds, multiple mortgage of property, etc.



Intense competition: Home loan is considered a safe investment by financial Institutions, and there is stiff competition in this segment. Competition might force lenders to provide loans at rates below their cost of funds which could ultimately lead to margin erosion in the housing finance industry. Customers are also offered a choice between floating and fixed rates of interest. Many Housing Finance companies even go the extent of exempting processing charges to garner business and survive in the market. Even RBI has recently expressed concern over unhealthy competitive practices and is thinking of making it mandatory for all Housing Finance Agencies to insist on a security margin.

Fall in income after the pandemic: The sudden reduction in the income levels of a wide section of people due to the economic downturn which followed the pandemic led to delay in home purchases in India. Many people who were preparing to buy their homes, or had booked their homes, were forced to delay the purchase. With economic recovery, it is expected that customers will once again consider buying homes.

Asset-Liability Mismatch Challenge: In the normal course, Housing Finance Companies (HFCs) are exposed to credit and market risks in view of the asset-liability transformation. Home loans have a unique characteristic that creates challenges for lenders. They have long maturity that can go up to 30 years. For the lender, such long-maturity assets need matching maturity liabilities to avoid the asset-liability mismatch problem.

Most of the funding sources of banks and HFCs have maturity of up to five years. The growth of home loans, thus, presents a growing, structural asset-liability management (ALM) challenge for the lenders. HFCs are operating in a fairly deregulated environment and are required to determine their own, interest rates on advances and deposits, subject to the ceiling on the maximum rate of interest they can offer on deposits, on a dynamic basis. The interest rates on investments of HFCs in government and other securities are also now market-driven. Intense competition for business involving both the assets and liabilities necessitates the need to maintain a good spread, profitability, and long-term viability. These pressures call for structured and comprehensive measures and not just ad hoc action. The management of HFCs have to base their business decisions on a dynamic and integrated risk management system.

HFCs need to address these risks in a structured manner by upgrading their risk management practices and adopting more comprehensive Asset-Liability Management (ALM) practices than what has been done hitherto. ALM, among other functions, is also concerned with the management of risks and provides a comprehensive and dynamic framework for measuring, monitoring, and managing liquidity and interest rate risks of an HFC that need to be closely integrated with their business strategy. In addition to being a source of funding, securitization could be an instrument that allows lenders to address, at least partially, the ALM challenge.

Key Growth Drivers

The non-banking housing finance market in India is fragmented with over 80 HFCs. However, the top four players command over 70 percent of the market share. The top two players -- HDFC and LIC Housing Finance -- each have assets over Rs 1 trillion and command over 60 percent of the overall market as of March 22. In addition, unlike banks, the HFCs are governed by the National Housing Bank (NHB), a subsidiary of the RBI (Reserve Bank of India). As HFCs cannot accept deposits from consumers under normal circumstances, they have less stringent regulations vis-à-vis banks on certain parameters.

Low Penetration Levels	**Value (mn)**	
Total households	300	A
<0.25mn annual income	180	B
Tax return filers (income > Rs.35mn)	60	C
Target households	60	A-B-C
Live affordable housing loans	2.4	E
Penetration (%)	**4%**	**E/D**

The HFCs gained prominence when the retail housing segment was neglected by banks, with many marginal consumers unable to fulfill the stringent documentation requirements. Although the interest rates charged by HFCs were higher than that of banks (due to a higher cost of funding), this did not deter them due to absence of viable alternatives. Thus, in the last few years, there has been a large influx of new players, taking the number of non- deposit-taking HFCs from 55 (FY 2014) to more than 80 according to NHB.

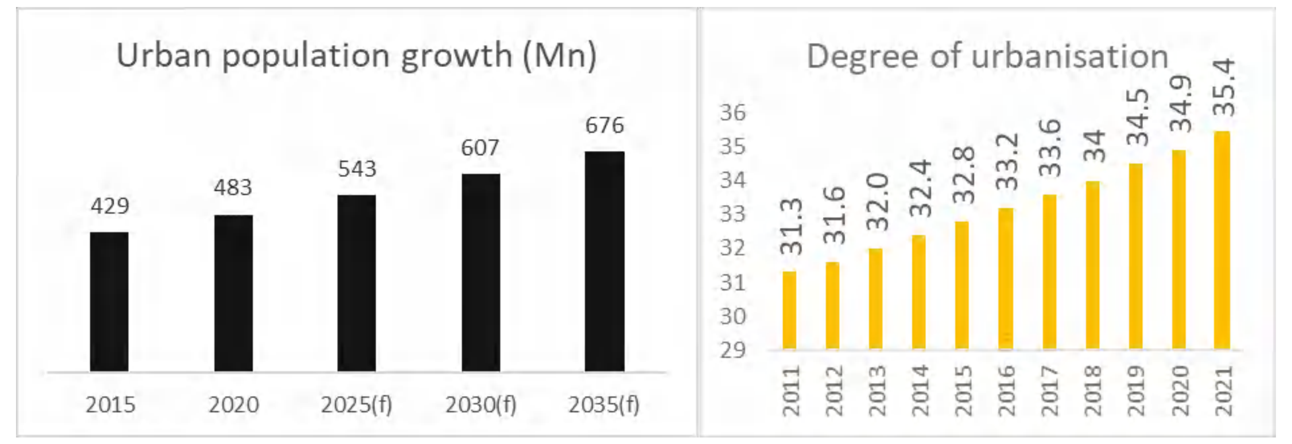
Total Housing Gap till 2030

	EWS (Cr)	**LIG (Cr)**	**Total (Cr)**
Rural	3.01	0.63	3.64
urban	4.64	1.45	6.09
Total	7.65	2.28	9.73

HFCs can incorporate stamp duties and registration costs into the home values to fix the maximum allowable loan on a property that translates into higher credit to home buyers compared to banks. Further, with banks having switched to marginal-cost-based lending rates (changing from base rate regime) in 2016, the interest rates offered by banks have also gone up due to higher funding costs, thereby reducing the gap with HFCs in interest rates. Despite banks' larger scale and funding advantages, they have been losing out to the HFCs in the housing finance front.

Population Demography & Upward trend in Urbanization: The Indian population demography has two-thirds below 35 years of age, and the share in the age group 0-14 is 26.16 percent. The share of the working-age population (15-65 years) is 67.27 percent, which indicates a very positive future outlook for the housing sector. The demand for new houses is steady as the pace of urbanization is expected to accelerate with the government's focus on building new smart cities as well as a focus on Tier 2 and Tier 3 cities. Thus, surging growth and employment in these cities will prove a significant driver for people in the rural and semi-urban areas to shift to Tier 2 and Tier 3 cities.

- Demand for residential properties has surged due to increased urbanization and rising household income. India is among the top 10 price appreciating housing markets internationally
- About 10 million people migrate to cities every year.
- Growing economy driving demand for commercial and retail space. Residential segment contributes ~80 percent of the real estate sector.



The Indian economy has experienced robust growth in the past decade and is expected to be one of the fastest-growing economies in the coming years.

- India's urban population is expected to reach 525 million by 2025, up from an estimated 461 million in 2018.
- Rising income and employment opportunities have led to more urbanization and more affordability for real estate in cities.
- Covid-19 has already impacted the Indian housing sector, the sector has started recovering and is expected to close FY23 with pre-pandemic level growth as the government has been quite supportive towards this sector with enabling policies.
- The income levels of population in urban areas as well as tier 1 and tier 2 cities will be an important act of the growth of the housing finance industry in the next few years.

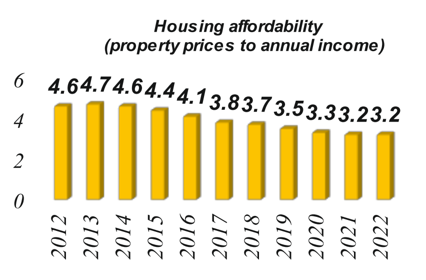
PM Awaz Yojna : The affordable housing scheme by the Government of India is a major driver of housing demand. Under this scheme affordable houses are defined as those with a price tag of less than or equal to Rs 35 lakh. Economically Weaker Sections 9EWS), Middle income Group (MIG) and Low Income Groups (LIG) are given various incentives under the scheme, known as the Credit Linked Subsidy scheme based on annual household income.

Particulars	EWS	LIG	MIG-1	MIG-II
Household income (Rs)	Up to 3 lakhs	3-6 lakhs	6-12 lakhs	12-18 lakhs
Carpet area (sqm)	30	60	160	200
Interest subsidy (% p.a)	6.5	6.5	4.0	3.0
Maximum loan tenure	20 years			
Eligible loan (Rs)	600000		900000	1200000

Nuclear Family Trend : There is a sea change in the social set-up of Indian families. We have moved on from the joint family concept to the nuclear family concept. In the traditional Indian joint family setup, many people lived in the same house with their families. Nuclear families are now the norm, rather than the exception. Consequently, the property buying decisions of a nuclear family are radically different from those of a joint family, both, in terms of the people who take the decisions and the choices that are made. Moreover, as both the married partners are earning members, buying a house has become more viable especially in urban areas. The Growth in Household Incomes in Indian Cities has increased consistently. This has led to a huge increase in demand for new homes.

Technological development (Fintech) : Technology has helped HFCs/ NBFCs to provide fast, efficient, cost-effective, customized products and services to customers. It helps in increasing the productivity of manpower, better utilization of resources, and automation of many manual procedures. Fintech is among the most talked-about development in the world and India, too, is experiencing this 'FinTech Boom'. Given that consumer banking is on the verge of disruption, there should be greater emphasis on the customer.

While traditional banks have yet to embrace a customer-centric model, fintech can help guide and boost the housing finance industry. It has helped in reaching out to larger geographies for business acquisition without setting up brick and mortar setup. The use of mobile and mobile technology has made the onboarding of a customer easy, fast, and cost-effective. Technology helps to manage risk through analytics. It helps in making informed credit decisions.



The collection and recovery process has become far more effective and efficient and significant scale-up of business across geographies at a cost-effective manner is possible with the help of technology. Technological advancement will help housing finance companies big time, it will help have a closer eye on NPA as it will be customer-centric and companies will understand their consumers more effectively.

Regulatory framework

The master directions issued by the RBI on 17 February 2021 are expected to bring in greater discipline by way of detailed regulatory requirements which will bring about more transparency and compliance in the housing finance sector. The central bank's mandate regarding a liquidity buffer with respect to liquidity coverage ratio (LCR) has enhanced HFCs' resilience to potential disruptions to liquidity. This will be on account of HFCs maintaining sufficient high-quality liquid assets to mitigate any acute liquidity stress scenarios lasting 30 days. The RBI also directed HFCs to maintain full cover available for public deposits at all times. If an HFC fails to

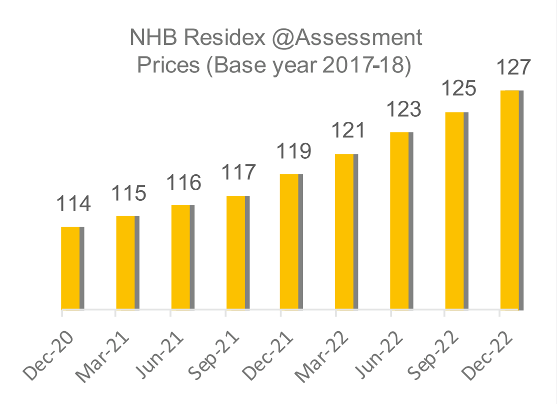
repay public deposit, it shall not grant any loan or another credit facility or make any investment or create any other asset as long as the default exists. CareEdge Research expects this direction to ensure greater compliance on part of HFCs and higher confidence on part of the general public in housing finance companies.
The RBI's master directions on HFCs detailed the purview of housing finance to include financing for purchase/construction/reconstruction/repairs and renovation of housing dwelling units. With this, the RBI brought companies engaged in construction finance also under the ambit of these directions thereby increasing the scope of its supervision and enhancing transparency across the construction value chain.

The regulations pertaining to HFCs are usually in consonance with the extant NBFC regulations. However, RBI maintained the flexibility given to HFCs with respect to risk weights, though NBFCs generally have lesser flexibility in this regard, broadly classified into 0%, 20% and 100% risk weights. As the flexibility has been continued for HFCs, they would not require additional capital to service their loan books.

As the larger HFCs already meet the above guidelines, they are unlikely to face significant challenges when HFC regulations are further harmonised with NBFCs going forward.

Covid-19 impact on housing sales and prices

The slowdown in real estate and housing finance began after the IL&FS crisis in September 2018. The liquidity crunch in housing finance companies and non-banking financial companies impacted construction activities. Despite the government and central bank's intervention the housing finance sector did not pick up as expected due to subdued demand in view of economic slowdown, further worsened by the Covid-19 pandemic.



Government support towards housing has helped improve affordability. Housing is one of the key priority areas for both the Centre and the State governments and will continue to remain so. The housing development is a key driver of broader economic and community development, employment creation, asset creation, and wealth accumulation. The government has shown keen interest in this industry and has taken various steps through enabling policies like the Real Estate Regulatory Act (RERA), Benami Transactions Act, boost to affordable housing and Interest subsidy to home buyers. Pradhan Mantri Awas Yojana (PMAY), the government of India's Housing for All initiative is expected to bring USD 1 trillion investment in the housing sector by 2025. The scheme is expected to push affordable housing and construction in the country and give a boost to the real estate sector.

Outlook

The housing growth momentum is expected to continue on the back of a strong demand in FY24 supported by an estimated 9% YOY increase in housing sales, according to an estimate by rating agency ICRA. Property prices are expected to increase by another 5% in 2023-24 on top of an 8-10% surge seen in the previous financial year. Though the impact of higher input cost pressures seen in the previous FY, in the range of 8-10% remains, developers might not hike prices at least until HI of 2023-24 as they would like to gauge the demand dynamics. Tier II and Tier III cities are expected to report significant growth in housing demand as a result of urbanization gaining momentum.

Affordability is a prime driver of housing demand. However, high input costs and inflation compelled developers to hike property prices in 2022-23. This, coupled with the 250 bps hike in repo rate, had some impact on the affordable housing segment in FY23. However, as retail inflation has started softening towards the comfort zone of 4% and rate hikes are likely to take a pause, housing demand in general, and affordable housing in particular, are expected to witness renewed traction in FY24. The rejig of tax slabs consequent to the migration to the new tax regime is also expected to increase disposable income and facilitate increased home loan demand.

Improving disposable incomes and affordability coupled with a pause in rate hikes are expected to ensure that asset quality is unlikely to emerge as much of a concern. This will be an incentive for banks and home financiers to step up lending. RBI expects India's GDP growth for FY24 to be 6.5% which augurs well for the housing sector. On the whole, low inflation, rising disposable income and higher economic growth will ensure a robust outlook for the housing sector.

Human Capital & training

Total manpower strength of the company stood at 1526 as on March 31, 2023, spanning 12 States and 66 branches pan-India. Training department of MAHOFIN plays a vital role in creating a dynamic workplace by augmenting the functional and behavioural skills of employees by imparting various types of training via Learning Experience Platform called 'MADU' and through other universities.

Annexure-V

SECRETARIAL AUDIT REPORT

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

For the Financial Year ended 31st March, 2023

To,

The Members,
Manappuram Home Finance Limited
W-4/638A, 5th floor,
Manappuram House
Valapad - 680567

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Manappuram Home Finance Limited (CIN U65923KL2010PLC039179) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2023 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, We hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, 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 the Company for the financial year ended 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 and the Rules made there under.

(ii) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.

(iv) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.

(v) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (limited to obligations of the company)

(vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vii) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

(viii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(ix) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

(x) The National Housing Bank Act, 1987

(xi) The Housing Finance Companies (NHB) Directions, 2010

(xii) RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

(xiii) Housing Finance Companies Corporate Governance (National Housing Bank) Directors, 2016

(xiv) Housing Finance Company Issuance of Non-Convertible Debentures on Private Placements (NHB) Directions, 2014;

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

(i) the Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

(ii) Listing Agreement for debt securities entered into with BSE Limited in respect of privately placed non-convertible debentures issued by the Company.

Based on the information and explanation provided, the Company had no transactions during the period covered under the Audit requiring the compliance of the provisions of:

a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

b) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

c) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes made to the composition of the Board of Directors was duly carried out during the period covered under the Audit.

Adequate notice and detailed notes on Agenda were given to all Directors at least seven days in advance to schedule the Board Meetings. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. We understand that there were no dissenting members' views requiring to be captured in the minutes.

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 period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

a. The Company has raised an amount of Rs. 50 Crores by issue of Non-Convertible Debentures on private placement basis, in one or more series/ tranches and Rs. 78.82 Crores (Face value Rs 80 cr) by issue of Commercial Papers.

b. The Company has not raised any debt through a public issue.

Date : 10th May, 2023
Place: Coimbatore

For **KSR & Co Company Secretaries LLP**
Dr. C.V. Madhusudhanan,
Partner
(FCS: 5367; CP: 4408)
UDIN: F005367D000314511

Annexure-VI

Details Pertaining to Remuneration as Required Under Section 197 of the Companies Act, 2013 Read with Rule 5 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

SL NO	Name of Director/KMP and designation	% Increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director /KMP/to median remuneration of employees
1	Suveen P S	10%	17:1
2	Bikash Kumar Mishra (CFO upto 15.03.23)	10%	15:1
3	Robin Karuvely (CFO w.e.f 16.03.2023)	0	-
4	Sreedivya S (CS)	5%	14:1

i. The median remuneration of employees of the Company during the financial year 2022-23 was Rs. 2,66,368.

ii. In the financial year, there is a decrease in the median remuneration of employees.

iii. There were 1524 permanent employees on the rolls of Company as on 31 March 2023.

iv. Average percentage increase made in the financial year 2022-23 was 10% whereas the increase in the managerial remuneration for the same financial year was 10%.

v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, and other Employees.

Top 10 employees

in terms of remuneration drawn During the financial year

2022-23

Suveen P.S.
Chief Executive Officer
Active (Age : 33.8yrs)

Date of Joining
01-06-2021

Qualification & Experience
B.Tech, 6 years

Previous Employment
MAFIL

Gross Remuneration Paid
5451958

Bikash Kumar Mishra
Chief Financial Officer
Resigned (w.e.f 16.03.23)
(Age : 37.4 yrs)

Date of Joining
01-12-2015

Qualification & Experience
CA, 13 years

Previous Employment
MAFIL

Gross Remuneration Paid
4809257

Sreedivya S.
Company Secretary
Active (Age : 48.11yrs)

Date of Joining
14-03-2014

Qualification & Experience
CS, MBA, 21 years

Previous Employment
MAFIL

Gross Remuneration Paid
3818538

Ashwin G Krishnan
Chief Compliance Officer
Active (Age : 37.1yrs)

Date of Joining
16-07-2021

Qualification & Experience
CA, 11 years

Previous Employment
MAFIL

Gross Remuneration Paid
2811668

Sandeep Kumar
COO
Active (Age : 39.1yrs)

Date of Joining
02-03-2015

Qualification & Experience
MBA, 15 years

Previous Employment
MAFIL

Gross Remuneration Paid
2622340

Binoy John
Head Audit
Active (Age : 38.11 yrs)

Date of Joining
18-02-2022

Qualification & Experience
CMA, 15 years

Previous Employment
MAFIL

Gross Remuneration Paid
2536710

Nanda Kumar H.N.
Zonal Head
Active (Age : 40.0 yrs)

Date of Joining
03-03-2016

Qualification & Experience
MBA, 16 years

Previous Employment
Reliance Home Finance

Gross Remuneration Paid
2495517

Himanshu Tyagi
CTO
Active (Age : 49.7yrs)

Date of Joining
14-01-2020

Qualification & Experience
FA & MCSE, 20 years

Previous Employment
MAFIL

Gross Remuneration Paid
1913075

Manjunatha K.
Area Head
Active (Age : 32.5yrs)

Date of Joining
08-08-2016

Qualification & Experience
MBA, 12 years

Previous Employment
Religare Housing Finance

Gross Remuneration Paid
1764025

Ayaz Iftekhar Sayyed Shah
Zonal Head Collection
Active (Age : 40.4 yrs)

Date of Joining
03-09-2019

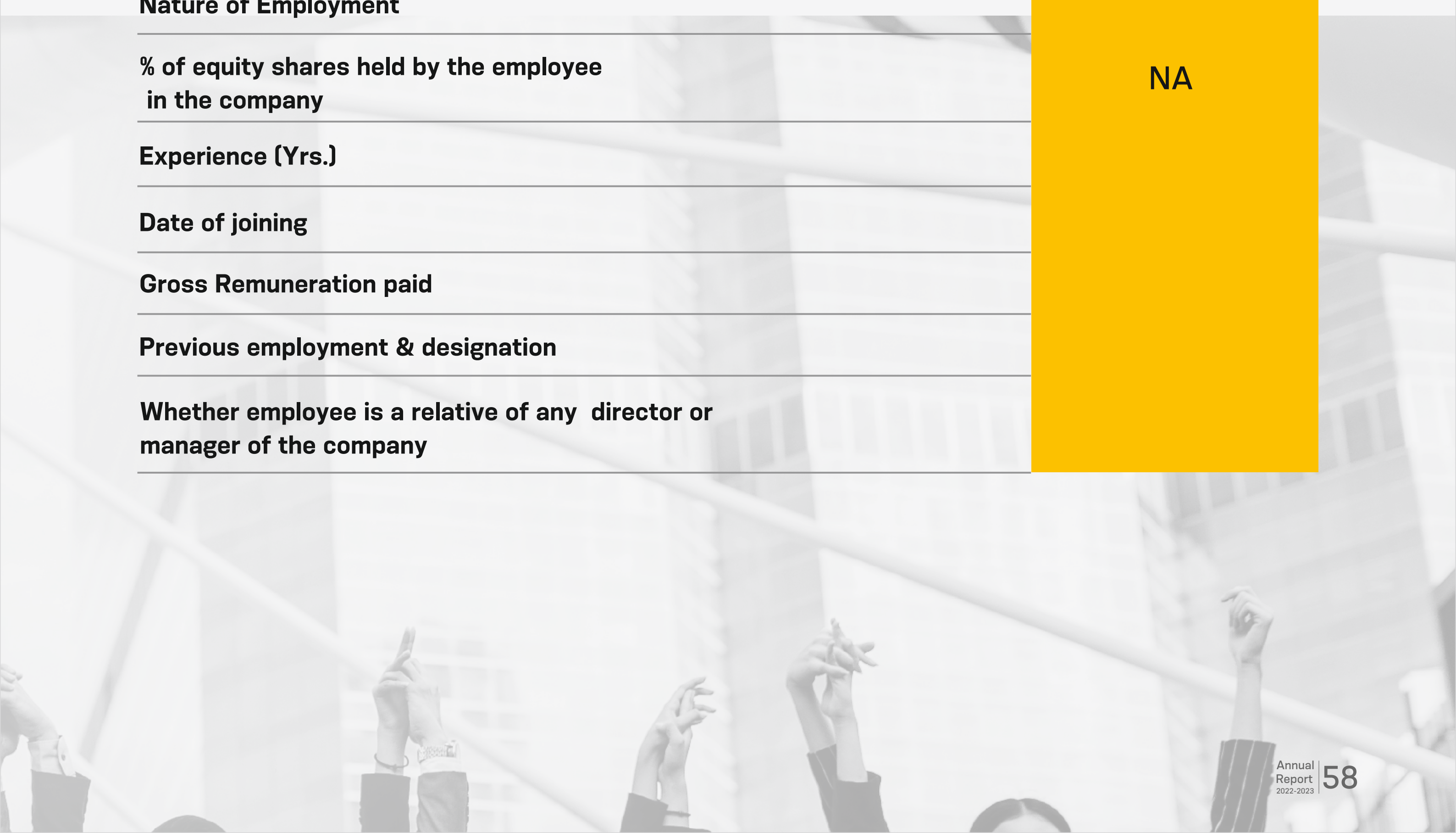
Qualification & Experience
BA, 15 years

Previous Employment
Shriram Housing Finance Ltd

Gross Remuneration Paid
1355003

EMPLOYEES DRAWING A REMUNERATION OF 10.20 MILLION OR MORE PER ANNUM DURING THE FINANCIAL YEAR 2022-23

<table>
<tr><td>SI No</td><td rowspan="12">NA</td></tr>
<tr><td>Employee Name</td></tr>
<tr><td>Designation</td></tr>
<tr><td>Educational Qualification</td></tr>
<tr><td>Age</td></tr>
<tr><td>Nature of Employment</td></tr>
<tr><td>% of equity shares held by the employee in the company</td></tr>
<tr><td>Experience (Yrs.)</td></tr>
<tr><td>Date of joining</td></tr>
<tr><td>Gross Remuneration paid</td></tr>
<tr><td>Previous employment & designation</td></tr>
<tr><td>Whether employee is a relative of any director or manager of the company</td></tr>
</table>



EMPLOYEES DRAWING A REMUNERATION OF 0.85 MILLION OR ABOVE PER MONTH FOR PART OF TH FINANCIAL YEAR 2022-23

<table>
<tr><td>Sl No</td><td rowspan="12">NA</td></tr>
<tr><td>Employee Name</td></tr>
<tr><td>Designation</td></tr>
<tr><td>Educational Qualification</td></tr>
<tr><td>Age</td></tr>
<tr><td>Nature of Employment</td></tr>
<tr><td>% of equity shares held by the employee in the company</td></tr>
<tr><td>Experience (Yrs.)</td></tr>
<tr><td>Date of joining</td></tr>
<tr><td>Gross Remuneration paid</td></tr>
<tr><td>Previous employment & designation</td></tr>
<tr><td>Whether employee is a relative of any director or manager of the company</td></tr>
</table>

Annexure VII

(Pursuant to Section 135 of Companies Act 2013, read with relevant Rules.)

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

   Manappuram Foundation, a charitable organisation set up in October 2009, is implementing and driving forward the Corporate Social Responsibility (CSR) of Manappuram Home Finance Ltd. (MAHOFIN). Manappuram Foundation's strategy is to collaborate with internal as well as external stakeholders to make an impact in the community through grass root programmes in Quality Education, Healthcare and Community Development. The financial audit and social audit is also conducted periodically in the Manappuram Foundation. The CSR policy of the Company can be accessed through the following link https://www.manappuramhomefin.com/content/policies

SL NO	Name of Director	Designation/ Natureof Directorship	Number of meetings of CS Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Jeevandas Narayan	Chairman – Non Executive Director	1	1
2	Mr. V.P.Nandakumar	Member- Non executive & Non independent	1	1
3	Mr. T. Balakrishnan	Member- Independent Director	1	1

1. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
   https://www.manappuramhomefin.com/

2. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Rules, 2014, if applicable (attach the report). NA

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

SL NO	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1			
	Total		

1. Average net profit of the company as per section 135(5) - Rs. 1133.287 lakhs.
2. a) Two percent of average net profit of the company as per section 135(5) – Rs. 22.36 lakhs.

   b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.NA

   c) Amount required to be set off for the financial year, if any - NA

   d) Total CSR obligation for the financial year (7a+7b- 7c) – Rs. 22.36 lakhs
3. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specifie under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
34,41,982	-	-	NA	-	-

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

Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State	Location of the project. District	Project duration.	Mode of Implementation Direct yes/No	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6)(in Rs.).	Mode of Implementation – Through Implementing Agency: Name	Mode of Implementation – Through Implementing Agency: CSR Registration number.
Community development programs/ Housing projects support	Rural Development Projects	Yes	Kerala	Thrissur	18 months	No	15,00,000	12,05,982	-	Manappuram Foundation	CSR000 04545
Total							15,00,000	12,05,982			

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

(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 (in Rs.).**	**Mode of implementation-Direct (Yes/No).**	**Mode of implementation – Through implementing agency.**	
				State	District			Name	CSR Registration number.
1	Supporting Educational Institutions and students for improvement of quality education	Promotion of Quality Education	Yes	Kerala	Thrissur	10,00,000	No	Manappuram Foundation	CSR00004545
2	supporting the healthcare centres/ hospitals by infrastructure and facility improvement	Promoting healthcare including preventive health care and sanitation	Yes	Kerala	Thrissur	12,36,000	No	Manappuram Foundation	CSR00004545
	TOTAL					**22,36,000**			

(d) Amount spent in Administrative Overheads : NA

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 34,41,982/-

(g) Excess amount for set off, if any

SL NO	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	22,36,000
(ii)	Total amount spent for the Financial Year	22,36,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	**Preceding Financial Year.**	**Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)**	**Amount spent inthe reporting Financial Year (in Rs.).**	**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. (in Rs.)**
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	2021-22	12,05,982	12,05,982	-	-	-	-
	TOTAL						

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

Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced.**	**Project duration**	**Total amount allocated for the project (in Rs.)**	**Amount spent on the project in the reporting Financial Year(in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project- Completed /Ongoing.**
1		Community development programs/Housing projects support	2021-22	18 months	15,00,000	12,05,982	15,00,000	Completed
	TOTAL							

9. 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). NA

(a) Date of creation of acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

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

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

Sd/-
(Chief Executive Officer).

Sd/-
(Chairman – CSR Committee).

Additional Disclosure requirements under Scale Based Regulation for NBFCs

1) Composition of the Board

Sl. No.	Name of Director	Director since	Capacity	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee (Rs. In lakhs)	Comm ission (Rs. In lakhs)	
1	V.P. Nandakumar	12.03.2014	Chairman	00044512	7	7	17	-	-	-	1
2	Jeevandas Narayan	02.02.2017	Managing Director	07656546	7	7	2	-	3.80	11	-
3	Pratima Ram	19.06.2019	Independent Director	03518633	7	7	9	-	7.5	8	-
4	Gautam Saigal	13.05.2015	Director	00640229	7	7	5	-	7.25	13	-
5	T. Balakrishnan	18.06.2014	Independent Director	00052922	7	7	7	-	7.20	8	-

2) Committees of the Board and their composition

a) Audit Committee

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	Mr. Gautam Saigal	13.08.2015	Chairman	5	5	-
2	Mr. T. Balakrishnan	29.10.2014	Member	5	5	-
3	Mrs. Pratima. Ram	30.10.2019	Member	5	5	-

b) Nomination Compensation and Corporate Governance Committee

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	Mr. T. Balakrishnan	29.10.2014	Chairman	3	3	-
2	Mr. V.P. Nandakumar	29.10.2014	Member	3	3	1
3	Mrs. Pratima Ram	10.02.2022	Member	3	3	-

c) Asset Liability Management Committee

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	Mr. V.P. Nandakumar	18.03.2015	Chairman	4	4	1
2	Mr. Suveen. P.S	24.05.2021	Member	4	4	-
3	Mr. Sandeep Kumar	30.10.2019	Member	4	4	-
4	Mr. Bikash Kumar Mishra (till 15th March 2023)	15.03.2021	Member	4	4	-
5	Mr. Robin Karuvely (w.e.f16th March 2023)	16.03.2023	Member	-	-	-
6	Mr. Himanshu Tyagi	19.03.2020	Member	4	4	-
7	Mr. Samjith. K. S	22.06.2021	Member	4	4	-

d) Risk Management Committee

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	Mr. Gautam Saigal	11.02.2016	Chairman	4	4	-
2	Mr. T. Balakrishnan	11.02.2016	Member	4	4	-
3	Mrs. Pratima. Ram	30.10.2019	Member	4	4	-

e) Investment Committee

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	Mr. V.P.Nandakumar	10.03.2016	Chairman	-	-	1
2	Mr. Suveen. P.S	24.05.2021	Member	-	-	-
3	Mr. Bikash Kumar Mishra	15.03.2021	Member	-	-	-
4	(till 15th March 2023) Mr.Robin Karuvely(w.e.f	16.03.2023	Member	-	-	-
5	16th March 2023) Mr. Samjith K S	01.02.2023	Member	-	-	-

f) Financial Resource & Management Committee

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	Mr. V.P.Nandakumar	29.10.2014	Chairman	6	6	1
2	Mr. Gautam Saigal	20.05.2017	Member	6	6	-
3	Mr. Suveen. P.S	24.05.2021	Member	6	6	-

g) IT Strategy Committee

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	Ms. Pratima Ram	10.02.2022	Chairperson	4	4	-
2	Mr. T. Balakrishnan	02.11.2018	Member	4	4	-
3	Mr. Jeevandas Narayan	02.11.2018	Member	4	4	-
4	Mr. Gautam Saigal	30.10.2019	Member	4	4	-
5	Mr. Himanshu Tyagi	24.05.2021	Member	4	4	-

h) Debenture Committee

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	Mr. V.P. Nandakumar	09.08.2019	Chairperson	3	3	1
2	Mr. Suveen. P.S	24.05.2021	Member	3	3	-
3	Mr. Sandeep Kumar	09.08.2019	Member	3	3	-
4	Mr. Bikash Kumar Mishra (till 15th March 2023)	24.05.2021	Member	3	3	-
5	Mr.Robin Karuvely (w.e.f 16th March 2023)	01.02.2023	Member	-	-	-
6	Mrs. Sreedivya. S	09.08.2019	Member	3	3	-

I) Stakeholder's Relationship Committee

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	Mr. Jeevandas Narayan	24.01.2020	Chairperson	1	1	-
2	Mrs. Pratima Ram	24.01.2020	Member	1	1	-
3	Mr. T Balakrishnan	24.01.2020	Member	1	1	-

j) Corporate Social Responsibility Committee

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	Mr. Jeevandas Narayan	09.05.2020	Chairperson	1	1	-
2	Mr. V.P. Nandakumar	09.05.2020	Member	1	1	1
3	Mr. T Balakrishnan	09.05.2020	Member	1	1	-

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Manappuram Home Finance Limited

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of Manappuram Home Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended of the state of affairs of the Company as at March 31, 2023, its profits, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3 Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS 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 Matter	Auditors Response
1	**Expected Credit Loss (ECL) on Loans and Advances** The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: a) Data inputs - The application of ECL model requires several data inputs. b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost. d) Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from ongoing COVID-19 pandemic.	We performed the following audit procedures: a) Testing the design and effectiveness of internal controls over the following: Key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. Key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors. Management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model. b) Also, for a sample of ECL allowance on loan assets tested in respect of key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, and model assumptions applied. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. We have reviewed the PD's and LGD calculation provided by the Company. c) Testing management's controls on compliance with disclosures to confirm the compliance with the provisions of relevant provisions of Ind AS 109 and the RBI and verified impairment methodologies and reasonableness of assumptions used. d) For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology. e) Read and assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.

Sl. No.	Key Audit Matter	Auditors Response
2	**Information Technology (IT) Systems and Control** The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.	We performed the following audit procedures: Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations. We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. Tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedure. Considered the reports issued by the professional consultants with respect to Information Systems (IS) Audit and IT Infrastructure of the Company.

4. Other Information (Information other than the Ind AS financial statements and Auditor's report thereon)

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon. The Other Information is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations. We have nothing to report in this regard for the previous financial year.

5. Management's responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on auditing 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 Ind AS financial statements.

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

i) Identify and assess the risks of material misstatement of the Ind AS 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.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) 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 ability of the Company 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 Ind AS 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.

v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

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

7. Report on Other Legal and Regulatory Requirements

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

ii) As required by section 143 (3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Ind AS financial statements.

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, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.

e) On the basis of written representations received from the directors of the Company as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) With respect to the other matters to be included in the Auditors Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations on its financial position in its Ind AS financial statements.

ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures that we have considered reasonable and appropriate, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv(b) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

(S.M. Chitale)
Partner
M. No. 111383

UDIN : 23111383BGTWHM3860

Place: Mumbai
Date: May 10, 2023

Annexure 'A' to the Auditors' Report of even date on the Ind AS financial statements of Manappuram Home Finance Limited

Referred to in paragraph 7 (i) under Report on Other Legal and Regulatory Requirements of our report of even date

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

i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-use Assets.
B) The Company has maintained proper records showing full particulars of Intangible Assets.

b) According to the information and explanations given to us by the management and in our opinion, Property, Plant and Equipment and Right-of-use Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c) According to the information and explanations given to us by the management and in our opinion, the title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.

d) According to the information and explanations given to us by the management and in our opinion, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.

e) According to the information and explanations given to us by the management, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) a) The Company is primarily engaged in the lending business and thus it does not hold any inventory. Accordingly, the reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b) The Company has been sanctioned working capital limits in excess of five crore rupees during the year from banks and financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the company with such banks and financial institutions when compared with the books of account and other relevant information provided by the Company.

iii) a) The Company is primarily engaged in the lending business and accordingly, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

b) Considering that the Company is a Non-Banking Finance Company, the investments made, security given and the terms and conditions of the grant of all loans are not prima facie prejudicial to the Company's interest. According to information and explanations provided to us, the Company has not provided any guarantees during the year.

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, circulars and norms issued by the Reserve Bank of India and National Housing Bank. In respect 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 as disclosed in note 39 of the financial statement and reproduced below:

d) In respect of loans granted by the Company by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date except for the following cases as on March 31, 2023:

(Rs. In lakhs)

No of Cases	Principal Amount overdue	Interest Amount overdue	Total Amount due
274	118.96	263.12	382.08

e) The Company is primarily engaged in the lending business and accordingly, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f) Basis the information and explanations provided to us by the management, the Company has not granted any loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment and accordingly, the reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us by the management, there are no loans, investments, guarantees, and securities given in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable, and hence not commented upon.

v) According to the information and explanations given to us by the management, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by 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 thereunder and thus the reporting under clause 3(v) of the Order is not applicable.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company and thus the reporting under clause 3(vi) of the Order is not applicable.

vii) a) According to the information and explanations given to us by the management, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, and any other statutory dues except for Tax deducted at source, Provident Fund and Profession Tax wherein certain delays in payments were observed during the year ended March 31, 2023. As informed to us, there were no dues on account of Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess.

According to the information and explanations given to us by the management , there were no undisputed amounts in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues which were due for more than six months from the date they become payable as at the year end. As informed to us, there were no dues on account of Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess.

b) According to the records examined by us and as per the information and explanations given to us by the management, there were no statutory dues as at March 31, 2023 which have not been deposited on account of disputes.

viii) According to the information and explanations given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) According to the information and explanations given to us by the management and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) According to the information and explanations given to us by the management and records examined by us, the Company has applied the term loans for the purpose for which the loans were obtained.

d) According to the information and explanations given to us by the management and on an overall examination of the financial statements of the Company, the Company has not utilized funds raised on short term basis during the year for long term purposes.

e) The Company does not have any subsidiary, associate or joint venture and accordingly, the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

f) The Company does not have any subsidiary, associate or joint venture and accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3 (x)(b) is not applicable to the Company.

xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, there has been two instances of fraud on the Company amounting to Rs.35.77 lakhs as disclosed in Note 39(l) to the Ind AS financial statements which have been duly reported to Reserve Bank of India and National Housing Bank. We have not come across any instance of fraud by the Company which has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanation given to us by the management, the Company has not received any whistle blower complaints during the year.

xii) The Company is not a nidhi company and hence reporting under clause 3 (xii)(a) to 3 (xii)(c) is not applicable to the Company.

xiii) According to the information and explanation given to us by the management and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors and Audit Committee, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements as required by applicable accounting standard.

xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered the internal audit reports for the period under audit issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act and hence reporting under clause 3 (xv) is not applicable to the Company.

xvi) a) According to the information and explanations given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi)(a) is not applicable to the

Company.

b) The Company is a registered Housing Finance Company (HFC) and holds a valid Certificate of Registration (CoR) from National Housing Bank and is not required to obtain a Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and hence reporting under clause 3 (xvi)(b) is not applicable to the Company.

c) According to the information and explanations given by the management, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3 (xvi)(c) is not applicable to the Company.

d) According to the information and explanations given by the management , the Group does not have any CIC as part of the group and hence reporting under clause 3 (xvi)(d) is not applicable to the Company.

xvii) According to the information and explanations given to us by the management and based on our examination of the records, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii) There has been no resignation of the Statutory Auditors of the Company during the year.

xix) 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) a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring 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.

b) According to the information and explanations given to us, no amount is remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

(S.M. Chitale)
Partner
M. No. 111383

UDIN : 23111383BGTWHM3860
Place: Mumbai
Date: May 10, 2023

Annexure 'B' to the Auditors' Report of even date on the Ind AS financial statements of Manappuram Home Finance Limited

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 7 (ii) (f) under Report on Other Legal and Regulatory Requirements of our report of even date

1. We have audited the internal financial controls with reference to Ind AS financial statements of Manappuram Home Finance Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements 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 with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Ind AS financial statements

4 A company's internal financial control with reference to Ind AS financial statements 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements

5 Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6 In our opinion, to the best of our information and according to the explanations given to us by the management, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

(S.M. Chitale)
Partner
M. No. 111383

UDIN : 23111383BGTWHM3860

Place: Mumbai
Date: May 10, 2023

Independent Auditor's Report

To,

The Board of Directors,

Manappuram Home Finance Limited, 5th Floor,

IV/470A(Old) W/638A (New), Manappuram House Valapad P.O.

Thrissur - 680567

1. This report is issued in accordance with the terms of our engagement letter with Manappuram Home Finance Limited (the Company, MHFL).

Management's Responsibility for the Compliance

2. Management of the Company is responsible for ensuring compliance with NHB(ND)/DRS/REG/MC-01/2019 Master Circular - The Housing Finance Companies (NHB) Directions, 2010 dated 1 July 2019 ("NHB Directions") issued by National Housing Bank (NHB), Reserve Bank of India's (RBI) Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 as amended ("RBI Directions") and other applicable regulations. This includes collecting, collating and validating data and the design, implementation and maintenance of internal controls suitable for such compliance.
3. The Management of the Company is also responsible for maintenance of proper books of account and such other records.

Auditors' Responsibility

4. Our responsibility is to report on matters specified in paragraphs 70 and 71 of the Master Directions – Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide ref no. RBI/2020-21/73 DOR.FIN.HFC.CC. No. 120/03.10.136/2020- 21 dated February 17, 2021 (the "RBI Directions") as at and for the year ended March 31, 2023.
5. We conducted our work in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI), in so far as applicable for the purpose of this report which includes the concepts of test check

and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform audits and Reviews of Historical Financial formation, and Other Assurance and Related Services Engagements.

7. We have examined the audited books of accounts and other relevant records and documents maintained by the Company produced before us as at and for the year ended 31 March 2023 for the purpose of providing reasonable assurance on the matters specified in the Directions.

8. The audited financial statements referred to in paragraph 7 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated 10 May 2023. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinion

9. On the basis of our examination on a test check basis of such books of account and other relevant records and documents and to the best of our information and explanations and representations given to us by the Management of the Company, we report that:

I. The Company has obtained a certificate of registration (COR) from the NHB as required under section 29A of the NHB Act, 1987 with registration No. 08.0158.17 dated August 22, 2017. The Company as at March 31, 2023, has met the Principal Business Criteria as specified in para 4.1.17 of the RBI Directions.

II. The Company has met the required Net owned fund (NOF) requirement as prescribed under section 29A of the NHB Act, 1987.

III. The Company has complied with provisions of section 29C of the NHB Act, 1987, relating to transfer of amounts to the Statutory Reserve.

IV. The Company is not accepting / holding public deposit and the board of directors has passed the resolution for non-acceptance of any public deposits in its meeting held on May 12, 2012.

V. The Company has not accepted any public deposits during the financial year 2022-23.

VI. The total borrowings of the Company are within the limits prescribed under paragraph 27.2 of the RBI Directions.

VII. The Company has generally complied with the prudential norms on income recognition, accounting standards, assets classification, loan to value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers and concentration of credit / investment in specified in the NHB Directions.

VIII. The Company has correctly determined capital to risk weighted asset ratio (CRAR) disclosed in the schedule II return submitted to NHB and in compliance with minimum prescribed norms.

IX. The Company has furnished to the NHB within the stipulated period the half yearly return (schedule II return) as specified in the NHB Directions.

X. The filing of schedule III return on Statutory Liquid Assets as specified in the NHB directions is not applicable to the Company since the Company is non-deposit taking Housing Finance Company.

XI. The Company has complied with the provisions of the RBI Directions with regard to opening of new branches / offices or in the case of closure of existing branches / offices.

XII. The Company has complied with the provisions contained in paragraph 3.1.3, 3.1.4 and 18 of the RBI Directions-(Not applicable to MHFL)

Restrictions on Use

10. This report has been issued at the request of the Company for submission to NHB. This report is intended solely for the information and use of the NHB and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **MUKUND M CHITALE & CO.**
Chartered Accountants
Firm's Registration No.: 106655W

(S. M. Chitale)
Partner
M. No.: 111383

UDIN: 23111383BGTWIA7717
Place : Mumbai

Balance Sheet as at 31 March, 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Manappuram Home Finance Limited
(Formerly Manappuram Home Finance Private Limited)
CIN : U65923KL2010PLC039179

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 Financial assets			
Cash and cash equivalents	3	5,978.44	893.43
Receivables			
(I) Trade Receivables	4	35.88	13.43
Investment	5	2,332.28	-
Loans	6	1,09,650.44	82,744.38
Other Financial assets	7	1,143.96	1,287.23
2 Non-financial Assets			
Current tax assets (Net)	8	-	2.10
Deferred tax assets (Net)	28	459.26	813.13
Property, plant and equipment	9	202.03	151.26
Right of use Asset	10	254.57	228.17
Intangible Asset under development	11	32.70	-
Other Intangible assets	12	152.11	90.43
Other non financial assets	13	454.41	291.10
Total assets		**1,20,696.08**	**86,514.66**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Payables			
(I)Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II)Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	274.92	226.75
Borrowings (Debt security)	15	13,033.13	11,931.94
Borrowings (Other than Debt Security)	16	81,471.82	50,269.66
Other Financial liabilities	17	2,004.16	2,080.62
2 Non-financial Liabilities			
Current tax liabilities (Net)	18	64.69	118.60
Provisions	19	93.76	111.12
Other non-financial liabilities	20	109.01	78.65
Total Liabilities		97,051.49	64,817.34
3 Equity			
Equity share capital	21	20,000.00	20,000.00
Other equity	22	3,644.59	1,697.32
Total Liabilities and Equity		**1,20,696.08**	**86,514.66**

See accompanying notes forming part of the financial statements 1 to 47

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg No. 106655W

For and on behalf of the Board of Directors

S. M. Chitale
Partner, M. No. 111383

V.P. Nandakumar
Chairman, DIN : 00044512

Suveen P S
Chief Executive Officer

Robin Karuvely
Chief Financial Officer

Sreedivya S
Company Secretary

Place: Mumbai
Date: 10.05.2023

Place: Mumbai
Date: 10.05.2023

Statement of Profit and Loss for the year ended 31 March, 2023

Manappuram Home Finance Limited
(Formerly Manappuram Home Finance Private Limited)
CIN : U65923KL2010PLC039179

(All amounts are in Rupees in lakhs, unless otherwise stated)

	Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
	Revenue from operations			
	(I) Interest income	23(i)	16,184.91	11,985.96
	(ii) Other operating income	23 (ii)	389.23	274.76
(I)	**Total Income**		16,574.14	12,260.72
	Expenses			
	(I) Finance cost	24	6,697.09	4,869.17
	(ii) Impairment of financial instruments	25	(1,160.28)	1,187.75
	(iii) Employee benefit expenses	26	4,810.58	3,225.84
	(iv) Depreciation and amortization	12A	235.63	203.00
	(v) Other expenses	27 (a)	3,399.42	1,784.09
(II)	**Total Expenses**		**13,982.44**	**11,269.85**
(III)	**Profit before exceptional items and tax (I - II)**		**2,591.70**	**990.87**
(IV)	**Exceptional items**		**-**	**-**
(V)	**Profit before tax (III +/- IV)**		**2,591.70**	**990.87**
(VI)	**Tax Expense:**			
	(1) Current tax charge	28	289.02	483.95
	(2) Deferred tax charge / (credit)	28	353.73	(214.19)
	(3) Income tax for earlier years		2.08	-
(VII)	**Profit for the year (V - VI)**		**1,946.87**	**721.11**
(VIII)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Actuarial Gain / (Loss)		0.54	9.07
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.14	2.28
	Subtotal (A)		**0.40**	**6.79**
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		**-**	**-**
	Other Comprehensive Income (A - B)		**0.40**	**6.79**
(IX)	**Total Comprehensive Income for the year (VII+VIII)**		**1,947.27**	**727.90**
(X)	**Earnings per equity share**			
	Basic (Rs.)	29	0.97	0.36
	Diluted (Rs.)	29	0.97	0.36

See accompanying notes forming part of the financial statements 1 to 47

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg No. 106655W

For and on behalf of the Board of Directors

S. M. Chitale
Partner, M. No. 111383

V.P. Nandakumar
Chairman, DIN : 00044512

Suveen P S
Chief Executive Officer

Robin Karuvely
Chief Financial Officer

Sreedivya S
Company Secretary

Place: Mumbai
Date: 10.05.2023

Place: Mumbai
Date: 10.05.2023

Cash Flow statement for the year ended 31 March, 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Manappuram Home Finance Limited
(Formerly Manappuram Home Finance Private Limited)
CIN : U65923KL2010PLC039179

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Operating activities		
Profit before tax	2,591.70	990.87
Adjustments for:		
Depreciation, amortization and impairment	235.63	203.00
Impairment on financial instruments	(1,535.89)	491.99
Bad Debts Written off	375.61	347.88
Interest on Lease liability	24.30	33.58
Profit on sale of fixed assets	(1.22)	-
Net actuarial loss that will not be reclassified to profit and loss (OCI)	0.54	9.07
Working capital changes		
(Increase) / Decrease in Loans	(25,745.78)	(18,354.57)
Increase / (Decrease) in Trade payables and contract liability	48.17	124.17
Increase / (Decrease) in Other Financial Liability	(99.48)	501.79
Increase / (Decrease) in Other Non Financial Liability	12.99	10.74
(Increase) / Decrease in Other Financial Assets	143.27	(1,183.32)
(Increase) / Decrease in Other Non Financial Assets	(163.31)	14.40
(Increase) / Decrease in Trade Receivable	(22.45)	-
(Increase) / Decrease in Investment	(2,332.28)	-
Income tax paid (net)	340.82	411.72
Net cash flows used in operating activities	**(26,809.01)**	**(17,222.10)**
Investing activities		
Purchase of Tangible and intangible assets	(225.86)	(202.07)
Investment in Intangible assets under development	(32.70)	-
Net cash flows used in investing activities	**(258.56)**	**(202.07)**
Financing activities		
Proceeds from borrowings other than debt securities	42,240.00	28,300.00
Repayment of borrowings other than debt securities	(11,037.84)	(10,212.85)
Proceeds from borrowings - debt securities	5,000.00	-
Repayment of borrowings - debt securities	(3,898.81)	-
Lease payments	(150.75)	(148.55)
Net cash flows from financing activities	**32,152.60**	**17,938.59**
Net increase in cash and cash equivalents	5,085.03	514.43
Cash and cash equivalents as at the beginning of the year	893.43	379.00
Cash and cash equivalents at at the end of the year	**5,978.44**	**893.43**

See accompanying notes forming part of the financial statements 1 to 47

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg No. 106655W

For and on behalf of the Board of Directors

S. M. Chitale
Partner, M. No. 111383

V.P. Nandakumar
Chairman, DIN : 00044512

Suveen P S
Chief Executive Officer

Robin Karuvely
Chief Financial Officer

Sreedivya S
Company Secretary

Place: Mumbai
Date: 10.05.2023

Place: Mumbai
Date: 10.05.2023

Statement of changes in Equity for the year ended 31 March, 2023

Manappuram Home Finance Limited
(Formerly Manappuram Home Finance Private Limited)
CIN : U65923KL2010PLC039179

(All amounts are in Rupees in lakhs and numbers are in lakhs, unless otherwise stated)

a. Equity Share Capital

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

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as on 31 March 2022 / 31 March 2021	**20,000.00**	**20,000.00**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 31 March 2022 / 31 March 2021	**20,000.00**	**20,000.00**
Changes in equity share capital during the year	-	-
Balance as on 31 March 2023 / 31 March 2022	**20,000.00**	**20,000.00**

b. Other Equity

Particulars	Reserves and Surplus				Total
	Statutory Reserve	Employee Share Option Outstanding of Parent Company	Impairment Reserve	Retained Earnings	
Balance as at April 1, 2021	**487.21**	**203.42**	**121.44**	**157.35**	**969.42**
Amt transferred to Statutory Reserve	144.22	-	-	(144.22)	-
Total Comprehensive Income for the year	-	-	-	6.79	6.79
Profit / (loss) after tax	-	-	-	721.11	721.11
Balance as at March 31, 2022	**631.43**	**203.42**	**121.44**	**741.03**	**1,697.32**
Balance as at April 1, 2022	**631.43**	**203.42**	**121.44**	**741.03**	**1,697.32**
Amt transferred to Statutory Reserve	389.37	-	-	(389.37)	-
Total Comprehensive Income for the year	-	-	-	0.40	0.40
Profit / (loss) after tax	-	-	-	1,946.87	1,946.87
Transfer from ESOP Reserve to Retained Earnings		(203.42)		203.42	-
Balance as at Mar 31, 2023	**1,020.80**	**-**	**121.44**	**2,502.35**	**3,644.59**

For and on behalf of the Board of Directors

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg No. 106655W

S. M. Chitale
Partner, M. No. 111383

V.P. Nandakumar
Chairman, DIN : 00044512

Suveen P S
Chief Executive Officer

Robin Karuvely
Chief Financial Officer

Sreedivya S
Company Secretary

Place: Mumbai
Date: 10.05.2023

Place: Mumbai
Date: 10.05.2023

Accounting Policies

Note 1: Corporate Information

"Manappuram Home Finance Limited ('MHFL' or 'the Company') is a public limited company domiciled in India and incorporated on October 7, 2010 in Thrissur, Kerala. The Company is a Non-Deposit accepting Housing Finance Company registered with National Housing Bank (NHB) under the provisions of National Housing Bank Act 1987 ('NHB Act').The Company is engaged in providing housing loans.

The company's registered office is at IV/470A, (OLD) W/638A (NEW), Manappuram House, Valapad, Thrissur, Kerala - 680567 and corporate office is at Third Floor, A Wing, Unit No 301-315, Kanakia Wall Street, Andheri Kurla Road, Andheri East, Mumbai-400093."

The financial statements for the year ended 31st March 2023 were authorised for issuance in accordance with a resolution of the directors on 10th May 2023.

Note 2: Significant accounting policies

a. Basis of preparation

a.1 The Financial Statements have been prepared in accordance with the recognition and measurement principle of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable.The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. 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.

b. Functional and presentation currency

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

c. Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions, that affect the application of accounting policy and reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, at the end of the reporting period and reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

d. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

i) Interest Income

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR."

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

ii.) All other charges such as cheque return charges, overdue charges etc are recognised on realization basis. These charges are treated to accrue on realization, due to the uncertainty of their realization.

iii.) Income from Direct assignment

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the expected cash flows on the execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

iv.) Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

e. Property, Plant and equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on Property, Plant and equipment is calculated on a straight-line basis using the rates arrived at based on useful lives estimated by the management.

The estimated useful lives are, as follows:

Particulars	Useful Life of Assets
Building	30 years
Computers	3 years
Furniture & Fittings	5-10 years
Office Equipment	3-5 years
Motor Car	8 years

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

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

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

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company considers that the useful life of an intangible asset will not exceed 5 years from the date when the asset is available for use.

g. Assets Held for Sale

The Company classifies certain assets held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. In its normal course of business whenever default occurs, the Company may take possession of properties. The Company may physically repossess the properties either on its own or by engaging external agents to recover the funds generally at auctions to settle the outstanding debt. Any surplus funds are returned to the customers or obligors. As a result of this practice, the properties under legal repossession as specified in its policy, are not recorded on the balance sheet as loans and are treated as assets held for sale. The Company currently records them in the financial statement at lower of loan amount outstanding or recoverable value as per the valuation report. Any deficit is transferred to profit or loss account.

h. Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

As at March 31, 2023, none of the Company's property, plant and equipment and intangible assets were considered impaired."

i. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term and costs relating to the termination of the lease. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i)the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset("ROU")and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases)and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use)is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

j. Retirement and other employee benefits

Provident Fund (Defined Contribution Plans)

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Gratuity (Defined Benefit Plan)

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a.) when the plan amendment or curtailment occurs; (b) when the entity recognises related restructuring costs or related termination benefits .

The retirement benefits / obligations recognised in the balance sheet represents the present value of the defined benefit / obligations reduced by the fair value of scheme assets. Any assets resulting from this calculation is limited to present value of available refunds and reductions in future contributions to the scheme.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the Statement of Profit and Loss during the year.

Compensated absence

Compensated absence which are expected to occur within 12 months after end of the period in which the employee renders the related services are recognised as an actuarially determined liabilities at the present value of the obligation at the balance sheet date.

k. Taxes

Income tax expense comprises of current and deferred income tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

i) Current Taxes

Current income tax expense includes income tax payable by the company on its taxable profits for the period. Advance tax and provision for income tax are provided after off setting advance tax paid and provision for tax arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liabilities on net basis.

ii) Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis."

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

l. Earnings per share

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

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company by the weighted average number of equity shares outstanding during the year plus dilutive potential shares except where results are anti dilutive.

m. Provisions and other Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current market assessment of time value of money and risk is specific to liabilities. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement in other operating expenses.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

n. Cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash on hand and balances with banks in current accounts.

o. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past / future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

p. Determination of Fair Value

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The fair values of financial instruments measured at amortised cost and disclosed in the said financial statements.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows:

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 includes one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

q. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments.

i. Financial Assets

Initial Recognition - All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in three categories:

- At amortised cost
- At fair value through other comprehensive income (FVTOCI).
- At fair value through profit or loss (FVTPL).

Financial assets measured at amortised cost

A 'financial asset' is measured at amortised cost if both the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Business model: The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortised cost, as mentioned above, is computed using the effective interest rate method.

Financial liabilities

Initial Measurement

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

Subsequent Measurement

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

Impairment of financial assets

The company applies the expected credit loss (ECL) model for recognising impairment loss in accordance with IND AS 109. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

The company assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances held at amortised cost for impairment based on evidence or information that is available without undue cost or effort. The company applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets at amortised cost and loan commitments.

Stage 1 : 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company has assessed that all loans with no default or upto 30 days default would fall under this category.

For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL – Significant increase in credit risk

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days above Past Due is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset."

Stage 3: Lifetime ECL – credit impaired

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost. A financial asset is 'credit-impaired' when a breach of contract such as a default or past due event that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Measurement of ECLs

The measurement of ECL reflects:

a) The time value of money

b) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are derived from best estimates of expected loss by the management, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows

that are due to the company if the commitment is drawn down and the cash flows that the company expects to receive."

Write-off

Loans and debt securities 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 subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due."

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

a) Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

b) Loan commitments and financial guarantee contracts: generally, as a provision;"

Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

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

Offsetting

The company has not offset financial assets and financial liabilities.

Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected Credit Loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk and loss given default have been detailed in Note 38."

Recent accounting developments - Ind AS amendments which will be effective from 1st April 2023

Ministry of corporate affairs has issued notification G.S.R. 242(E) dated 31st March, 2023 to amend the Companies (Indian Accounting Standards) Rules, 2015, which shall come into force with effect from 1st day of April, 2023.

Recent Pronouncement:

On 31st March 2023, Ministry of Corporate Affairs notified amendments to certain Ind AS. These amendments will be effective from April 1, 2023 and will not have material impact on Company's financial statements for the financial year 2022-23. The following is a summary of the amendments:"

1. In Ind AS 101: - Relating to the exceptions to retrospective application of Ind AS on first time adoption
2. In Ind As 102: - Relating to the fair value of the equity instruments not being possible to be estimated reliably
3. In Ind AS 103: - Relating to the date on which the transferee obtains control of the transferor.
4. In Ind AS 107: - Relating to disclosure of material accounting policy information about the measurement basis (or bases) for financial instruments used in preparing the financial statements.
5. InInd AS 109: - Relating to a combination of entities or businesses under common control as described in Appendix C.
6. In Ind AS 115: - Relating to certain corrections.
7. In Ind AS 1: - Relating to the following:
   - Reference to the definition of 'Accounting Policies' contained in Ind AS 8
   - Requirement regarding disclosure of material accounting policy information instead of disclosures about significant accounting policies

• Clarification about when an accounting policy information would be regarded as material

• The judgements, apart from those involving estimations that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

8. In Ind AS 8: - Relating to change in the definition of accounting estimates and further clarifications relating to the same.
9. In Ind AS 12: - Relating to exception to the recognition of deferred tax liability/ asset arising from a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
10. In Ind AS 34: - Relating to disclosure of material accounting policy information in interim financial statements."

Manappuram Home Finance Limited
(Formerly Manappuram Home Finance Private Limited)
CIN : U65923KL2010PLC039179

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 3 : Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash on hand	102.62	314.54
Balances with bank		
In current accounts	630.82	333.89
In Fixed Deposits	5,245.00	245.00
Total	**5,978.44**	**893.43**

Note 4 : Trade Receivable

Particulars	As at 31 March 2023	As at 31 March 2022
Sundry Debtor	35.88	13.43
Total	**35.88**	**13.43**

4.1 - There are no trade receivables due from any director or any officer of the company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

4.2 - Trade Receivables ageing schedule: 31 March 2023

Particulars	Trade Receivables - Unbilled	Trade Receivables - Not Due	Outstanding for following periods from due date of payment#					Total
			Less than 6 months	6 months -1 year	1-2 yrs	2-3 yrs	More than 3 years	
1. Undisputed Trade receivables – considered good	-	-	35.88	-	-	-	-	35.88
2. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
3. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
4. Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
5. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
6. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

Trade Receivables ageing schedule: 31 March 2022

Particulars	Trade Receivables - Unbilled	Trade Receivables - Not Due	Outstanding for following periods from due date of payment#					Total
			Less than 6 months	6 months -1 year	1-2 yrs	2-3 yrs	More than 3 years	
1. Undisputed Trade receivables – considered good	-	-	13.43	-	-	-	-	13.43
2. Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
3. Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
4. Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
5. Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
6. Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-

Note 5: Investment

Particulars	As at 31 March 2023	As at 31 March 2022
Un-quoted		
At Fair Value through Profit or Loss:		
2,33,228 Security Receipts of Arcil-Retail Loan Portfolio-087-A-Trust	2,332.28	-
Total	**2,332.28**	**-**

Note 6: Loans (At Amortised Cost)

Particulars	As at 31 March 2023	As at 31 March 2022
(A)		
i) Term loans	**1,10,860.00**	**85,469.51**
- Home Loans	72,725.21	57,546.30
- Others	38,134.79	27,923.21
Total (A) - Gross	**1,10,860.00**	**85,469.51**
Less : Impairment loss allowance	1,209.56	2,725.13
Total (A) - Net	**1,09,650.44**	**82,744.38**
(B)		
i) Secured by tangible assets	**1,10,860.00**	**85,469.51**
a) Mortgage/Property loan	1,10,860.00	85,469.51
Total (B) - Gross	**1,10,860.00**	**85,469.51**
Less : Impairment loss allowance	1,209.56	2,725.13
Total (B) - Net	**1,09,650.44**	**82,744.38**
(C) Loans in India		
i) Retail loan *	**1,10,860.00**	**85,469.51**
Total (C) - Gross	**1,10,860.00**	**85,469.51**
Less : Impairment loss allowance	1,209.56	2,725.13
Total (C) - Net	**1,09,650.44**	**82,744.38**
Total	**1,09,650.44**	**82,744.38**

* Retail does not include exposure to public sector undertaking

Reconciliation of changes in the gross carrying amount in relation to Home loans is, as follows

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**51,094.07**	**2,314.85**	**4,137.38**	**57,546.30**	**36,913.94**	**7,746.39**	**3,490.05**	**48,150.38**
New assets originated or increase in contractual cash flow	27,174.82	78.85	4.30	27,257.97	16,950.46	108.24	28.96	17,087.65
Assets derecognised (on repayment or assignments excluding write offs) or decrease in contractual cash flow	(8,594.28)	(345.70)	(3,009.83)	(11,949.81)	(3,841.76)	(637.83)	(172.85)	(4,652.45)
Transfers to Stage 1	969.39	(599.68)	(369.71)	-	4,662.50	(4,490.50)	(172.00)	-
Transfers to Stage 2	(3,017.97)	3,170.58	(152.61)	-	(1,530.19)	1,535.64	(5.45)	0.00
Transfers to Stage 3	(585.35)	(113.82)	699.17	-	(688.48)	(1,507.91)	2,196.39	-
Changes to contractual cash flows due to modifications not resulting in derecognition				-	(1,310.90)	(233.97)	55.82	(1,489.04)
Amounts written off			(129.25)	(129.25)	(61.50)	(205.21)	(1,283.54)	(1,550.24)
Gross carrying amount closing balance	**67,040.68**	**4,505.08**	**1,179.45**	**72,725.21**	**51,094.07**	**2,314.85**	**4,137.38**	**57,546.30**

Reconciliation of ECL balance in relation to Home Loans is given below:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**77.51**	**31.11**	**1,847.75**	**1,956.38**	**265.78**	**487.12**	**890.74**	**1,643.64**
New assets originated or purchased	62.12	1.14	0.92	64.18	16.90	0.79	13.34	31.02
Assets derecognised (on repayment or assignments excluding write offs) or decrease in contractual cash flow	276.64	34.51	(1,613.93)	(1,302.78)	(33.11)	(36.57)	(116.45)	(186.13)
Transfers to Stage 1	(202.26)	78.58	123.68	-	317.50	(273.60)	(43.90)	-
Transfers to Stage 2	2.58	(26.93)	24.35	-	(11.51)	12.90	(1.39)	-
Transfers to Stage 3	1.47	6.15	(7.61)	-	(5.03)	(98.20)	103.23	-
Impact on year end ECL of exposures transferred between stages during the year								-
Changes to contractual cash flows due to modifications not resulting in derecognition					(472.62)	(45.33)	1,329.80	811.86
Amounts written off			(90.39)	(90.39)	(0.40)	(16.00)	(327.62)	(344.02)
ECL allowance - closing balance	**218.07**	**124.56**	**284.76**	**627.39**	**77.51**	**31.11**	**1,847.75**	**1,956.38**

Reconciliation of changes in the gross carrying amount in relation to Non Home loans is, as follows

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**25,357.50**	**1,190.62**	**1,316.74**	**27,864.85**	**15,222.92**	**2,999.30**	**1,046.58**	**19,268.80**
New assets originated or increase in contractual cash flow	15,012.56	179.34	65.07	15,256.97	11,396.38	123.58	15.13	11,535.09
Assets derecognised (on repayment or assignments excluding write offs) or decrease in contractual cash flow	(4,317.47)	(92.40)	(558.38)	(4,968.25)	(2,031.34)	(382.61)	(265.88)	(2,679.83)
Transfers to Stage 1	376.89	(236.77)	(140.12)	-	1,839.27	(1,739.00)	(100.27)	-
Transfers to Stage 2	(1,711.06)	1,811.07	(100.01)	-	(655.24)	655.24		-
Transfers to Stage 3	(381.84)	(152.20)	534.04	-	(245.33)	(502.83)	748.16	-
Changes to contractual cash flows due to modifications not resulting in derecognition					(169.16)	36.94	88.22	(44.00)
Amounts written off			(18.79)	(18.79)			(215.21)	(215.21)
Gross carrying amount closing balance	**34,336.58**	**2,699.66**	**1,098.55**	**38,134.79**	**25,357.50**	**1,190.62**	**1,316.74**	**27,864.85**

Reconciliation of ECL balance in relation to Non Home Loans is given below:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	35.82	12.01	720.93	768.75	100.42	178.89	266.62	545.93
New assets originated or purchased	48.01	3.82	13.42	65.25	18.11	1.54	3.28	22.93
Assets derecognised (on repayment or assignments excluding write offs) or decrease in contractual cash flow	178.44	55.32	(459.61)	-225.85	(18.84)	(25.84)	(67.35)	-112.02
Transfers to Stage 1	(138.78)	47.14	91.64	-	128.15	(102.56)	(25.59)	-
Transfers to Stage 2	0.96	(50.77)	49.81	-	(4.76)	4.76		-
Transfers to Stage 3	0.91	3.72	(4.63)	-	(2.03)	(31.18)	33.21	-
Impact on year end ECL of exposures transferred between stages during the year				-				-
Changes to contractual cash flows due to modifications not resulting in derecognition				-	(185.24)	(13.61)	565.69	366.84
Amounts written off			(25.97)	(25.97)			(54.93)	(54.93)
ECL allowance - closing balance	**125.35**	**71.24**	**385.59**	**582.18**	**35.82**	**12.01**	**720.93**	**768.75**

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 7 : Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	64.88	52.37
Assets held for Sale (Refer Note 25)	1,015.64	1,203.62
Interest accrued on Fixed Deposits	38.50	2.00
Other Financial Asset	17.35	25.35
Deferred lease rental	7.59	3.89
Total	**1,143.96**	**1,287.23**

Note 8: Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance Tax (Net off Provision)	-	2.10
Total	**-**	**2.10**

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 9: Property, plant and equipment

Particulars	Office Equipments	Computer Equipments	Furniture & Fixtures	Building	Land	Vehicles	Total
Cost:							
At April 1, 2022	**57.58**	**244.64**	**62.21**	**5.13**	**3.23**	**27.46**	**400.24**
Additions	8.26	107.77	4.65	-	-	-	120.68
Less : Disposals/Transfers	8.42	26.30	2.95	-	-	-	37.67
At March 31, 2023	57.42	326.11	63.90	5.13	3.23	27.46	483.25
At April 1, 2021	**49.81**	**157.77**	**53.35**	**5.13**	**3.23**	**27.46**	**296.75**
Additions	7.77	101.81	8.86	-	-	-	118.43
Less : Disposals/Transfers	-	14.94	-	-	-	-	14.94
At March 31, 2022	57.58	244.64	62.21	5.13	3.23	27.46	400.24
Accumulated Depreciation :							
At April 1, 2022	**40.43**	**151.86**	**39.66**	**0.44**	**-**	**16.59**	**248.98**
Less : On Disposals/Transfers	8.23	25.64	2.95	-	-	-	36.82
Charge for the year	6.71	55.64	3.10	0.17	-	3.43	69.05
At March 31, 2023	**38.90**	**181.86**	**39.81**	**0.62**	**-**	**20.02**	**281.22**
At April 1, 2021	**35.58**	**134.81**	**36.08**	**0.27**	**-**	**13.16**	**219.89**
Less : On Disposals/Transfers	-	14.94	-	-	-	-	14.94
Charge for the year	4.85	31.99	3.58	0.17	-	3.43	44.03
At March 31, 2022	**40.43**	**151.86**	**39.66**	**0.44**	**-**	**16.59**	**248.98**
Net book value:							
At March 31, 2023	**18.51**	**144.25**	**24.09**	**4.52**	**3.23**	**7.44**	**202.03**
At March 31, 2022	**17.15**	**92.77**	**22.55**	**4.69**	**3.23**	**10.87**	**151.26**

9.1 - Title deeds of all the immovable properties are held in the name of the Company

9.2 - The Company does not hold any Benami property under the Benami Transactions (Prohibitions) Act, 1988 and rules made thereunder

Note 10: Right of use Asset - Building Premises

Particulars	Right to Use
Cost:	
At April 1, 2022	**582.82**
Additions	149.47
Less : Disposals/Transfers	-
At March 31, 2023	**732.30**
At April 1, 2021	**575.67**
Additions	7.15
Less : Disposals/Transfers	-
At March 31, 2022	**582.82**
Accumulated Depreciation :	
At April 1, 2022	**354.65**
Less : On Disposals/Transfers	0.00
Charge for the year	123.08
At March 31, 2023	**477.73**
At April 1, 2021	**234.49**
Less : On Disposals/Transfers	-
Charge for the year	120.16
At March 31, 2022	**354.65**
Net book value:	
At March 31, 2023	**254.57**
At March 31, 2022	**228.17**

Note 11: Intangible Asset under development:

Particulars	As at 31 March 2023	As at 31 March 2022
Development of Software	32.70	-
Total	**32.70**	**-**

11.1: Ageing of Intangible Asset under development:

Intangible assets under development	Amount in Intangible Asset under development for a period of				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	32.70	-	-	-	32.70

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 12: Other Intangible Assets

Particulars	Computer Software
Cost:	
At April 1, 2022	**206.83**
Additions	105.18
Less: Disposals	-
At March 31, 2023	**312.01**
At April 1, 2021	**123.19**
Additions	83.64
Less: Disposals	-
At March 31, 2022	**206.83**
Accumulated Amortisation :	
At April 1, 2022	**116.39**
Less : On Disposals	-
Charge for the year	43.50
At March 31, 2023	**159.90**
At April 1, 2021	**77.58**
Less : On Disposals	-
Charge for the year	38.81
At March 31, 2022	**116.39**
Net book value:	
At March 31, 2023	**152.11**
At March 31, 2022	**90.43**

Note 12A: Depreciation and Amortization

Particulars	As at 31 March 2023	As at 31 March 2022
Property, Plant and Equipment	69.05	44.03
Right of Use Asset	123.08	120.16
Other Intangible Assets	43.50	38.81
Total	**235.63**	**203.00**

Note 13: Other Non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balances With Govt Authorities	80.64	62.77
Prepaid expenses	323.45	201.40
Advance to Vendor	5.92	3.59
Others	44.40	23.34
Total	**454.41**	**291.10**

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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 14: Trade Payable

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	143.95	77.55
Accrued expenses	130.98	149.20
Total	**274.92**	**226.75**

14.1 - Trade Payables ageing schedule: 31 March 2023

Particulars	Trade Payables - Unbilled	Outstanding for following periods from due date of payment#				Total
		Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	142.03	1.92	-	-	143.95
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Trade Payables ageing schedule: 31 March 2022

Particulars	Trade Payables - Unbilled	Outstanding for following periods from due date of payment#				Total
		Less than 1 year	1-2 yrs	2-3 yrs	More than 3 years	
(i)MSME	-	-	-	-	-	-
(ii)Others	-	75.05	1.32	1.18	-	77.55
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 15: Borrowings (debt security)

Particulars	As at 31 March 2023	As at 31 March 2022
Non Convertible Debentures	13,033.13	11,931.94
Total	**13,033.13**	**11,931.94**

15.1 - Details of terms of repayment and securities provided in respect of debt security are as under:

ISIN No.	Public issue*/ Private Placement**	Date of allotment	Date of redemption	Nominal value per debenture	Total No of Debentures	ROI	As at 31 March 2023		As at 31 March 2022		Secured/ Unsecured
							Non-current	Current	Non-current	Current	
INE360T07025	Public Issue	04-Nov-2019	03-Nov-2022	1000	1.72	9.75%	-	-	-	1,716.22	Secured
INE360T07033	Public Issue	04-Nov-2019	03-Nov-2022	1000	0.85	10.00%	-	-	-	852.12	Secured
INE360T07041	Public Issue	04-Nov-2019	03-Nov-2022	1000	1.33	10.00%	-	-	-	1,330.47	Secured
INE360T07058	Public Issue	04-Nov-2019	03-Nov-2024	1000	2.36	10.25%	2,360.54	-	2,360.54	-	Secured
INE360T07066	Public Issue	04-Nov-2019	03-Nov-2024	1000	0.64	10.65%	640.26	-	640.26	-	Secured
INE360T07074	Public Issue	04-Nov-2019	03-Nov-2024	1000	0.33	10.65%	328.90	-	328.90	-	Secured
INE360T07082	Public Issue	04-Nov-2019	07-Sep-2026	1000	2.20	10.65%	2,203.43	-	2,203.43	-	Secured
INE360T07090	Private Placement	20-Jul-2020	19-Jul-2023	1000000	0.0025	9.40%	-	2,500.00	2,500.00	-	Secured
INE360T07108	Private Placement	21-Nov-2022	21-Nov-2024	1000000	0.0050	8.50%	5,000.00	-	-	-	Secured

*The principal amount of NCDs issued in terms of the Prospectus together with all interest due on the NCDs, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first charge ranking pari passu with existing secured creditors, on all loans and advances, book debts, current assets, other receivables (both present and future) of the Company, equal to the value of one time of the NCDs outstanding plus interest accrued thereon and by way of first charge on the immovable property being land admeasuring an extent of 877 sq.ft. together with building measuring an extent of 180 sq. ft. of built-up area, situated at Door No. 124, Comprised in Survey No. 348/3C1, as per Patta Bearing No. 625, New Survey No. 348/17, at No 78, Anupampattu, 2 Village, (Old No 80, Elavambedu Village), Ponneri Taluk, Thiruvallur District, 601203, Tamil Nadu.

**The principal amount of NCDs issued in terms of the Prospectus together with all interest due on the NCDs, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first charge ranking pari passu with existing secured creditors, on all loans and advances, book debts, current assets, other receivables (both present and future) of the Company.

15.2 - Pursuant to notification by Ministry of Corporate Affairs on Companies (Share Capital and Debentures) Rules, 2014 dated August 16, 2019, and subsequent amendments thereof, the issuer being registered as Housing Finance Company with National Housing Bank, is not required to create Debenture Redemption Reserve.

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 16: Borrowings (other than debt security)

Particulars	As at 31 March 2023 At Amortised cost	As at 31 March 2022 At Amortised cost
Term Loans - Indian rupee loan from banks (Secured)	79,255.41	46,899.42
Working Capital Demand Loan - Indian rupee loan from banks (Secured)	1,500.00	1,694.00
NHB Special Re-finance	-	500.00
Cash credit facilities from banks (Secured)	716.40	1,176.24
Total	**81,471.82**	**50,269.66**

All Borrowings made in India.

16.1 - Details of terms of repayment and securities provided in respect of secured loans are as under:

Indian Rupee loan from banks (secured) As at 31 March 2023

Terms of repayment Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Term Loans :*		
More than 5 years	8.00% - 10.25%	20,032.38
Due within 2-5 years	8.00% - 10.25%	31,701.67
Due within 1-2 years	8.00% - 10.25%	12,905.90
Due within 1 year	8.00% - 10.25%	14,615.46
Total		79,255.41
Working Capital Demand Loan :*		
Due within 1 year	9.00% - 11.15%	1,500.00
Total		1,500.00
Special Refinance-NHB :*		
Due within 1 year	5.25%	-
Total		-
Cash Credit Facilities from Banks :*		
Due within 1 year	9.15% - 10.50%	716.40
Total		**716.40**

* These are secured by an exclusive charge by way of pari passu first charge on housing loans receivables, other current assets and Book debts of the Company.

As at March 31, 2022

Terms of repayment Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Term Loans :*		
More than 5 years	8.15% - 10.25%	10,249.59
Due within 2-5 years	8.15% - 10.25%	15,758.37
Due within 1-2 years	8.15% - 10.25%	10,466.22
Due within 1 year	8.15% - 10.25%	10,425.24
Total		**46,899.42**

* These are secured by an exclusive charge by way of pari passu first charge on standard loans receivables of the Company.

Working Capital Demand Loan :*		
Due within 1 year	9.90% - 11.15%	1,694.00
Total		**1,694.00**
Special Refinance-NHB :*		
Due within 1 year	5.25%	500.00
Total		**500.00**
Cash Credit Facilities from Banks :*		
Due within 1 year	9.15% - 10.50%	1,176.24
Total		**1,176.24**

* These are secured by an exclusive charge by way of pari passu first charge on housing loans receivables of the Company.

16.2 - The Company has utilized the borrowings from Banks for the purpose for which it was availed.

16.3 - The Company has borrowings from Banks on the basis of security of current assets and it has provided the quarterly statements to the Banks as per the terms of the sanction letter. On comparison of the quarterly statements with the books of accounts, there were no discrepancies found.

16.4 - There is no pending satisfaction of charge in relation to borrowings which is yet to be registered with Registrar of Companies beyond the statutory period.

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 17: Other Financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued and due on borrowings	17.69	10.61
Interest accrued and due on Non Convertible Debentures	1,456.73	1,379.16
Lease Liability (Refer Note 33)	293.95	270.93
Employee related payables	175.00	118.28
Other liabilities	60.79	301.64
Total	**2,004.16**	**2,080.62**

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 18: Current Tax Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for tax (net off advance tax)	64.69	118.60
Total	**64.69**	**118.60**

Note 19: Provisions

Particulars	As at 31 March 2023 At Amortised cost	As at 31 March 2022 At Amortised cost
ECL provision on loan commitments	15.52	6.45
Employee Benefits (Refer Note 30)		
- Gratuity	58.14	85.67
- Provision for compensated absences	20.10	19.00
Total	**93.76**	**111.12**

19.1 - Reconciliation of changes in the gross carrying amount and the corresponding ECL allowances in relation to commitment of Loans is, as follows

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,829.89**	**150.29**	**-**	**4,980.18**	**3,327.55**	**45.93**	**-**	**3,373.48**
New exposures	4,715.55		-	4,715.55	4,829.89	150.29	-	4,980.18
Exposures derecognised or matured (excluding write-offs)	(4,829.89)	(150.29)	-	(4,980.18)	(3,327.55)	(45.93)	-	(3,373.48)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**4,715.55**	**-**	**-**	**4,715.55**	**4,829.89**	**150.29**	**-**	**4,980.18**

Reconciliation of ECL balance is given below:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**5.21**	**1.24**	**-**	**6.45**	**13.42**	**0.99**	**-**	**14.41**
New exposures	14.32	1.20	-	15.52	5.21	1.24	-	6.45
Exposures derecognised or matured (excluding write-offs)	(5.21)	(1.24)	-	(6.45)	(13.42)	(0.99)	-	(14.41)
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**14.32**	**1.20**	**-**	**15.52**	**5.21**	**1.24**	**-**	**6.45**

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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 20: Other Non-financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory Dues	109.01	78.65
Total	109.01	78.65

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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 21: Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
200,000,000 (March 31, 2022: 200,000,000) equity shares of Rs. 10/- each	20,000.00	20,000.00
Total	**20,000.00**	**20,000.00**

Issued, subscribed and fully paid up shares

200,000,000 (March 31, 2022: 200,000,000) equity shares of Rs. 10/- each	20,000.00	20,000.00
Total Issued, subscribed and fully paid up	**20,000.00**	**20,000.00**

21.1 - Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

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

Particulars	No. of shares	Amount
As at March 31, 2023	**20,00,00,000**	**20,000.00**
Issued during the year	-	-
As at March 31, 2022	**20,00,00,000**	**20,000.00**
As at April 1, 2021	20,00,00,000	20,000.00
Issued during the year	-	-
As at March 31, 2022	**20,00,00,000**	**20,000.00**

21.3 - Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Equity shares of Rs. 10 each fully paid				
Manappuram Finance Limited (Holding company) and its nominees	20,00,00,000	100%	20,00,00,000	100%

- As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares
- 6 equity shares are held by nominee shareholders on behalf of Manappuram Home Finance Ltd.

21.4 - Details of Promoter shareholding in the Company

Particulars	As at 31 March 2023			As at 31 March 2022	
	No. of Shares	% of holding	% Change during the year	No. of Shares	% of holding
Equity shares of Rs. 10 each fully paid					
Manappuram Finance Limited	20,00,00,000	100.00	-	20,00,00,000	100.00
Total	**20,00,00,000**	**100.00**		**20,00,00,000**	**100.00**

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 22: Other equity

Employee Shares Option Outstanding of Parent Company	
At March 31, 2022	**203.42**
Less: Transferred to Retained Earnings during the year	(203.42)
At March 31, 2023	**-**
At March 31, 2021	**203.42**
Add: Other Additions/ Deductions during the year	-
At March 31, 2022	**203.42**
Statutory Reserve pursuant to Section 29-C of the National Housing Act, 1987	
At March 31, 2022	**631.43**
Add: Transfer from Retained Earnings	389.37
At March 31, 2023	**1,020.80**
At March 31, 2021	**487.21**
Add: Transfer from Retained Earnings	144.22
At March 31, 2022	**631.43**
Impairment Reserve as per RBI Guidelines	
At March 31, 2021	**121.44**
Add: Transfer from Retained Earnings	-
At March 31, 2023	**121.44**
At March 31, 2021	**121.44**
Add: Transfer from Retained Earnings	-
At March 31, 2022	**121.44**
Retained Earnings	
At March 31, 2022	**741.04**
Add: Profit for the year	1,947.27
Add: Transfer from Employee Shares Option Outstanding of Parent Company	203.42
Less: Appropriations	-
- Transfer to Statutory Reserve	(389.37)
At March 31, 2023	**2,502.35**
At March 31, 2021	157.35
Add: Profit for the year	727.90
Add/Less: Appropriations	(144.22)
At March 31, 2022	**741.04**
Total other equity	
At March 31, 2023	**3,644.59**
At March 31, 2022	**1,697.32**

Nature and purpose of Reserves:

Employee Share Option Outstanding : Shares of parent company has been issued to the employees of the company for rendering services. Expense of such shares has been booked by the company and corresponding increase to the equity has been shown in the reserves as other equity.

During the year, the balance in this reserve have been transferred to Retained Earnings since the holders of the ESOP have either exercised their options and the Parent Company has issued the equity shares or the options have been lapsed.

Statutory Reserve : Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961): Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. The Company has transferred an amount of Rs. 389.37 lakhs (P.Y. 144.22 lakhs) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987.

Retained Earnings: Surplus in statement of Profit and Loss are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders.

Note 23 : Revenue from operations

Note 23(i): Interest income

Particulars	As at 31 March 2023	As at 31 March 2022
Interest on Financial Assets Measured at Amortised Cost		
- Home loans	10,452.27	8,532.14
- Others	5,642.49	3,451.56
Interest on Fixed Deposit	90.15	2.26
Total	**16,184.91**	**11,985.96**

Note 23 (ii): Other operating income

Particulars	As at 31 March 2023	As at 31 March 2022
Foreclosure Charges	201.52	110.86
Bad Debt Recovery	88.59	-
Late Payment Interest	39.58	40.14
Cheque Dishonour Charges	32.24	70.91
Possession Notice Charges	-	13.15
Others	27.30	39.70
Total	**389.23**	**274.76**

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 24: Finance Cost

Particulars	As at 31 March 2023	As at 31 March 2022
Interest expense on Financial Liabilities measured at Amortised Cost:-		
- on Bank and other borrowings	5,111.26	3,438.94
- on Commercial papers	118.05	-
- on NCD	1,313.58	1,341.10
Interest expense on Unamortised Future Lease Liabilities	24.30	33.58
Other borrowing cost	129.90	55.55
Total	**6,697.09**	**4,869.17**

Note 25: Impairment of financial instruments

Particulars	As at 31 March 2023	As at 31 March 2022
Loans (Refer Note 25.1)	(1,506.49)	527.58
Provision on assets held for sale	(29.40)	312.29
Bad Debts	375.61	347.88
Total	**(1,160.28)**	**1,187.75**

25.1 - Impairment of 'Loans'

Particulars	As at 31 March 2023			Total
	Stage 1	Stage 2	Stage 3	
Loans and advances to customers	230.09	152.68	(1,898.32)	(1,515.56)
Loan Commitments	9.07	-	-	9.07
Total impairment loss	**239.15**	**152.68**	**(1,898.32)**	**(1,506.49)**

Particulars	As at 31 March 2022			Total
	Stage 1	Stage 2	Stage 3	
Loans and advances to customers	(252.87)	(622.89)	1,411.31	535.55
Loan Commitments	(8.22)	0.25	-	(7.97)
Total impairment loss	**(261.09)**	**(622.64)**	**1,411.31**	**527.58**

Note 26: Employee Benefit Expenses

Particulars	As at 31 March 2023	As at 31 March 2022
Salaries and wages	4,439.00	2,985.14
Contribution to provident and other funds	290.22	170.94
Staff welfare expenses	22.77	26.91
Gratuity and Leave Encashment	58.59	42.85
Total	**4,810.58**	**3,225.84**

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 27(a): Other Expenses

Particulars	As at 31 March 2023	As at 31 March 2022
Rent expense	129.30	104.21
Electricity expense	18.75	18.15
Travelling and conveyance	303.10	171.18
Business Processing Charges	473.93	393.72
Insurance	53.18	13.69
Printing and stationary	145.20	127.26
Communication	22.35	18.75
Rates and taxes	3.58	1.54
Legal and Professional fees	297.51	195.18
Advertisement Expense	116.87	103.20
Directors sitting fees	25.75	21.70
IT Cost	477.05	491.91
Office Expenses	22.52	26.79
Repairs and maintenance	4.69	0.50
Auditor's remuneration (refer note 27(b) below)	18.47	17.15
Corporate Social Responsibility (refer note 27(c) below)	22.36	17.94
Bank and other Charges	45.87	15.44
Loss on sale of Loan Assets to Asset Reconstruction Company	1,161.98	-
Commission to Directors	40.00	40.00
Miscellaneous expenses	16.95	5.78
Total	**3,399.42**	**1,784.09**

Note 27(b): Audit Remuneration

Particulars	As at 31 March 2023	As at 31 March 2022
As auditor:		
Audit fee	12.00	12.63
Limited Review fee	3.75	2.50
Certification & Other fees	1.75	1.91
Reimbursement of expenses	0.97	0.11
Total	**18.47**	**17.15**

Auditors remuneration includes GST to the extent charged to Profit and Loss account

Note 27(c): Corporate Social Responsibility **(Rs. In lakhs)**

Particulars	"Year ended 31 March 2023"	"Year ended 31 March 2022"
a. Amount required to be spent by the company during the year	22.36	17.94
b. Amount of expenditure incurred	22.36	17.94
c. Shortfall at the end of the year	-	-
d. Total of previous years shortfall	-	-
e. Reason for shortfall	NA	NA
f. Nature of CSR activities	a) Promotion of health including Preventive Health Care and b)Rural Development	
g. Details of related party transactions Contribution made to Manappuram Foundation	Contribution made to Manappuram Foundation	

Manappuram Home Finance Limited
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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 28: Income Tax

i. Amount recognised in profit or loss

Particulars	"Year ended 31 March 2023"	Year ended 31 March 2022
Current tax	289.02	483.95
Adjustment in respect of Income tax for earlier years	2.08	-
Deferred tax charge / (credit) relating to origination and reversal of temporary differences	353.73	(214.19)
Total tax charge	**644.83**	**269.76**

ii. Reconciliation of effective tax rate:

Particulars	"Year ended 31 March 2023"	Year ended 31 March 2022
Profit Before Tax	**2,591.70**	**990.87**
Income tax expense calculated at 25.17% (PY 25.17%)	652.33	249.40
Effect of expenses that are not deductible in determining taxable profit	(242.95)	264.72
Effect of expenses for which weighted deduction under tax laws is allowed	(120.35)	(30.17)
Income tax for earlier years	2.08	-
Deferred tax relating to origination and reversal of temporary differences	353.73	(214.19)
Income tax expense recognised in statement of profit and loss	**644.83**	**269.76**

iii. Deferred Tax

Particulars	As at 01 April 2022	Recognised in Profit and Loss	Recognised in OCI	As at 31 March 2023
Deferred Tax Assets				
Impairment on Financial Assets	616.04	(470.42)	-	145.62
Unamortised processing fess	77.71	(25.14)	-	52.57
Retirement benefit plans	26.34	(6.51)	(0.14)	19.69
Others	60.28	(9.22)	-	51.06
Total (A)	**780.37**	**(511.29)**	**(0.14)**	**268.94**
Deferred Tax Liability				
Lease liability (Net of Right of Use)	10.76	(0.85)	-	9.91
Difference between book value of fixed assets as per books of accounts and income tax	22.00	158.41	-	180.41
Total (B) ((Liability) / Asset)	**32.76**	**157.56**	**-**	**190.32**
Deferred tax assets (net) (A+B)*	**813.13**	**(353.73)**	**(0.14)**	**459.26**

*** Movement in deferred tax has been disclosed on net basis (DTA-DTL)**

Particulars	As at 01 April 2021	Recognised in Profit and Loss	Recognised in OCI	As at 31 March 2022
Deferred Tax Assets				
Impairment on Financial Assets	490.41	125.63	-	616.04
Unamortised processing fess	93.09	(15.38)	-	77.71
Retirement benefit plans	28.15	0.47	(2.28)	26.34
Others	3.71	56.57	-	60.28
Total (A)	**615.36**	**167.29**	**(2.28)**	**780.37**
Deferred Tax Liability				
Lease liability (Net of Right of Use)	(4.72)	15.48		10.76
Difference between book value of fixed assets as per books of accounts and income tax	(9.42)	31.42	-	22.00
Total (B)	**(14.14)**	**46.90**	**-**	**32.76**
Deferred tax assets (net) (A+B)*	**601.22**	**214.19**	**(2.28)**	**813.13**

*** Movement in deferred tax has been disclosed on net basis (DTA-DTL)**

Manappuram Home Finance Limited
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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 29: Earnings per share

Particulars	"Year ended 31 March 2023"	"Year ended 31 March 2022"
Net profit for calculation of Earnings Per Share	1,946.87	721.11
Weighted average number of equity shares in calculating Earnings Per Share (Numbers in lakhs)	2,000.00	2,000.00
Basic Earnings Per Share (Rs.)	0.97	0.36
Diluted Earnings Per Share (Rs.)	0.97	0.36

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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 30: Retirement Benefit Plan

Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 239.72 lakhs as on March 31, 2023 and Rs. 136.24 lakhs as on March 31, 2022 for Provident and other Fund contributions, Rs.50.50 lakhs as on March 31, 2023 and Rs. 34.70 lakhs as on March 31, 2022 for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Rs. 58.14 lakhs as on March 31, 2023 (Rs. 85.67 lakhs as on March 31, 2022).

Risks Associated with Defined Benefit Plan :

"Gratuity is a defined benefit plan and the Company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk. Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk."

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.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

Particulars	"Year ended 31 March 2023"	"Year ended 31 March 2022"
Current service cost	52.64	39.47
Past Service Cost	-	-
Loss/Gain from Settlement	-	-
Interest cost on net defined benefit obligation	5.05	7.81
Net (benefit) / expense	**57.69**	**47.28**

Movement in Other Comprehensive Income

Particulars	"Year ended 31 March 2023"	"Year ended 31 March 2022"
Balance at start of year (Loss)/Gain	(17.10)	(26.17)
Re-measurements on DBO	-	-
a. Actuarial (loss) / gain from changes in demographic assumptions	-	-
b. Actuarial (loss) /gain from changes in financial assumptions	21.61	4.48
c. Actuarial (loss) / gain from experience over the past year	(25.81)	8.50
Re-measurements on Plan Assets	-	-
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest		
on the net defined benefit liability/ (asset)	4.74	(3.91)
c. Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at end of year (Loss)/Gain	**(16.56)**	**(17.10)**

Balance Sheet

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

Particulars	"As at 31 March 2023"	"As at 31 March 2022"
Defined benefit obligation	343.72	277.08
Fair value of plan assets	285.58	191.41
(Asset)/liability recognized in the balance sheet	**58.14**	**85.67**
Funded Status (Surplus/(Deficit))	(58.14)	(85.67)
Of which, Short term liability	-	-
Experience adjustments on Plan liabilities (Gain) / Loss	25.81	(8.50)

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

Particulars	"As at 31 March 2023"	"As at 31 March 2022"
Opening defined benefit obligation	277.08	210.70
Current service cost	52.64	39.47
Past Service Cost	-	-
Loss/(Gain) from Settlement	-	-
Interest cost	17.05	14.01
Benefits paid	(45.97)	(43.61)
Remeasurements		
Actuarial loss / (gain) from changes in demographic assumptions	-	-
Actuarial loss / (gain) from changes in financial assumptions	(21.61)	(4.48)
Actuarial loss / (gain) from experience over the past year	25.81	(8.50)
Transfer in/Out	38.72	69.49
Closing defined benefit obligation	**343.72**	**277.08**

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

Particulars	"As at 31 March 2023"	"As at 31 March 2022"
Opening fair value of plan assets	191.41	114.94
Contributions by employer	84.68	50.00
Transfer in/Out	38.72	67.79
Benefits paid	(45.97)	(43.61)
Interest income on Plan Assets	12.00	6.20
Re-measurements		
a. Actuarial (Loss)/Gain from changes in financial assumptions	-	-
b. Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	4.74	(3.91)
c. Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Closing fair value of plan assets	285.58	191.41
Actual Return on Plan Assets	16.74	2,29
Expected Employer Contributions for the coming year	100.00	50.00

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

Particulars	"As at 31 March 2023"	"As at 31 March 2022"
Salary Escalation	8.00%	8.00%
Discount rate	7.10%	5.40%
Attrition rate		
- Managerial grade and above	15.00%	15.00%
- Below managerial grade	50.00%	50.00%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected rate of return on assets	5.40%	5.00%

Investments quoted in active markets:

Particulars	"As at 31 March 2023"	"As at 31 March 2022"
Investment funds with Insurance Company	96%	96%
Of which, Unit Linked	0%	0%
Of which, Traditional/ Non-Unit Linked	96%	96%

Assumptions
Sensitivity Level

1. Increase/(decrease) on present value of defined benefits obligation at the end of the year	"As at 31 March 2023"	"As at 31 March 2022"
(i) One percentage point increase in discount rate	(11.27)	(10.39)
(ii) One percentage point decrease in discount rate	12.31	11.54
(i) One percentage point increase in rate of salary growth rate	12.08	11.14
(ii) One percentage point decrease in rate of salary growth rate	(11.28)	(10.30)
(i) One percentage point increase in withdrawal rate	(1.73)	(2.28)
(ii) One percentage point decrease in withdrawal rate	1.81	2.44

Expected payment for future years	"As at 31 March 2023"	"As at 31 March 2022"
Within the next 12 months (next annual reporting period)	146.88	101.93
Between 2 and 5 years	330.91	247.51
Between 5 and 10 years	194.26	145.51
Total expected payments	**672.05**	**494.95**

The weighted average duration of the defined benefit obligation as at 31st March 2023 is 3 years (31st March 2022 : 3 years)

The fund is administered by Life Insurance Corporation of India. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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.

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

	"As at 31 March 2023"	"As at 31 March 2022"
Discount rate	7.10%	5.40%
Attrition rate		
- Managerial grade and above	15.00%	15.00%
- Below managerial grade	50.00%	50.00%
Salary escalation	8.00%	8.00%

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

Compensatory Absences:

The defined Benefit Obligation (DBO) of Privilege Leave (Compensated Absences) of the Company as at March 31, 2023 is Rs. 20.10 Lakhs (March 31, 2022 : Rs. 19 Lakhs). The short-term DBO of Privilege Leave (Compensated Absences) of the Company included in the above as at March 31, 2023 stands at Rs. 6.39 Lakhs (March 31, 2022 : Rs. 5.45 Lakhs).

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 31: 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. With regard to 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	"As at 31 March 2023"			"As at 31 March 2023"		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,978.44	-	5,978.44	893.43	-	893.43
Receivables	35.88	-	35.88			
Loans	7,469.98	1,02,180.46	1,09,650.44	4,834.29	77,910.09	82,744.38
Investment	-	2,332.28	2,332.28			
Other Financial assets	1,071.49	72.47	1,143.96	1,228.96	58.26	1,287.23
Non-financial Assets						
Current tax assets (Net)	-	-	-	-	2.10	2.10
Deferred tax assets (Net)	-	459.26	459.26	-	813.13	813.13
Property, plant and equipment	-	202.03	202.03	-	151.26	151.26
Right to Use	-	254.57	254.57	-	228.17	228.17
Intangible Asset under development	-	32.70	32.70	-	-	-
Other Intangible assets	-	152.11	152.11	-	90.43	90.43
Other non financial assets	373.76	80.65	454.41	117.28	173.82	291.10
Total assets	**14,929.54**	**1,05,766.53**	**1,20,696.07**	**7,073.96**	**79,427.27**	**86,501.23**
Liabilities						
Financial Liabilities						
Payables	274.92	-	274.92	226.75	-	226.75
Borrowings (Debt security)	2,500.00	10,533.13	13,033.13	3,898.81	8,033.13	11,931.94
Borrowings (Other than Debt Security)	16,831.87	64,639.95	81,471.82	13,795.47	36,474.19	50,269.66
Other Financial liabilities	417.65	1,586.51	2,004.16	824.12	1,256.50	2,080.62
Non-financial Liabilities						
Current tax liabilities (Net)	64.69	-	64.69	118.60	-	118.60
Provisions	-	93.76	93.76	13.74	97.38	111.12
Other non-financial liabilities	109.01	-	109.01	78.65	-	78.65
Total Liabilities	**20,198.14**	**76,853.34**	**97,051.49**	**18,956.14**	**45,861.19**	**64,817.33**
Net	**(5,268.60)**	**28,913.19**	**23,644.58**	**(11,882.18)**	**33,566.08**	**21,683.89**

Note 32: Change in liabilities arising from financing activities

Changes in liabilities arising from financing activities

Particulars	As at 31 March 2022	Net Cash Flows	Other*	"As at 31 March 2023"
Borrowings (debt securities)	11,931.94	1,195.64	(94.45)	13,033.13
Borrowings other than debt securities	50,269.66	31,378.73	(176.57)	81,471.82
Total	**62,201.60**	**32,574.37**	**(271.02)**	**94,504.95**

Particulars	As at 1 April 2021	Net Cash Flows	Other*	As at 31 March 2022
Borrowings (debt securities)	11,931.94	118.15	(118.15)	11,931.94
Borrowings other than debt securities	32,182.51	18,241.47	(154.32)	50,269.66
Total	**44,114.45**	**18,359.61**	**(272.46)**	**62,201.60**

*EIR adjustment as per IND AS 109

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 33: Contingent liabilities, commitments and leasing arrangements

(A) Contingent Liabilities

There is Nil contingent liability outstanding as at March 31, 2023 (March 31, 2022: Nil)

(B) Commitments

There is Nil capital commitment outstanding as at March 31, 2023 (March 31, 2022: Nil)

The Company has Rs. 47.16 crores undisbursed loans as at March 31, 2023 (March 31, 2022: 49.80 crores).

This has been factored in for CRAR calculation.

(C) Lease Disclosures

Following are the changes in the carrying value of right of use assets:

Particulars	Amount
Balance as at April 1, 2022	**228.17**
Reclassified on account of adoption of IND AS 116	-
Additions	149.47
Deletion	
Depreciation	(123.08)
Balance as at March 31, 2023	**254.57**

Particulars	Amount
Balance as at April 1, 2021	**341.18**
Reclassified on account of adoption of IND AS 116	-
Additions	7.15
Deletion	-
Depreciation	(120.16)
Balance as at March 31, 2022	**228.17**

Following is the movement in the lease liabilities:

Particulars	Amount
Balance as at April 1, 2022	**270.93**
Reclassified on account of adoption of IND AS 116	
Lease Rent waived off	
Additions	149.47
Deletion	
Payment of Lease liabilities	(150.75)
Finance cost accrued during the period	24.30
Balance as at March 31, 2023	**293.95**

Following is the movement in the lease liabilities:

Particulars	Amount
Balance as at April 1, 2021	**378.73**
Reclassified on account of adoption of IND AS 116	-
Lease Rent waived off	-
Additions	7.16
Deletion	-
Payment of Lease liabilities	(148.55)
Finance cost accrued during the period	33.58
Balance as at March 31, 2022	**270.93**

Amounts recognised in profit and loss for the year ended March 31, 2023 :

Particulars	Amount
Depreciation expense on right-of-use assets (Refer Note 12A)	123.08
Interest expense on lease liabilities (Refer Note 24)	24.30

Amounts recognised in profit and loss for the year ended March 31, 2022 :

Particulars	Amount
Depreciation expense on right-of-use assets (Refer Note 12A)	120.16
Interest expense on lease liabilities (Refer Note 24)	33.58

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 34: Related Party Disclosures

Relationship	Name of the party
Holding Company	Manappuram Finance Limited
Fellow Subsidiary	Asirvad Microfinance Limited*
	Manappuram Insurance Brokers Limited*
	Manappuram Comptech and Consultants Limited
	Manappuram Health Care Limited
Others related group associates with whom transactions are held	Manappuram Travels
Key management personnel (KMP)	Mr. V. P. Nandakumar (Chairman)*
	Mr. Jeevandas Narayan (Managing Director) (upto 31st may 2021)
	Mr. Vipul Patel (CFO) (upto 26 April 2021)
	Mr. Bikash Kumar Mishra (CFO) (Upto 15 March 2023)
	Mr. Robin Karuveli (CFO) (w.e.f. 16 March 2023)
	Mrs. Sreedivya (Company Secretary)
	Mr. Gautam Saigal (Director)
	Mr. T. Balakrishnan (Director)
	Mrs. Pratima Ram (Director)
	Mr. Suveen P S (CEO) (w.e.f 1 June 2021)

* No transactions during the year

Related Party transactions during the year:

Particulars	Holding Company		KMP		Others	
	Year ended 31 Mar 2023	Year ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 March 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2023
Payment against Lease Liability						
Manappuram Finance Limited	154.83	158.73	-	-	-	-
Other expenses						
Manappuram Finance Limited	1.10	1.41	-	-	-	-
SME Portfolio Buyout						
Manappuram Finance Limited	233.93	223.70				
Remuneration						
Mr. Jeevandas Narayan	-	-	-	10.00	-	-
Mr. Vipul Patel (CFO) (upto 26 April 2021)	-	-	-	3.05	-	-
Mrs. Sreedivya	-	-	38.19	36.63	-	-
Mr. Bikash Kumar Mishra (CFO) (Upto 15 March 2023)	-	-	48.09	42.64	-	-
Mr. Robin Karuveli (CFO) (w.e.f. 16 March 2023)			1.08	-	-	-
Mr. Suveen P S (CEO)			54.52	43.32	-	-
Sitting Fees	-	-			-	-
Mr. Gautam Saigal	-	-	7.25	6.90	-	-
Mr. T. Balakrishnan	-	-	7.20	6.50	-	-
Mrs. Pratima Ram	-	-	7.50	5.20	-	-
Mr. Jeevandas Narayan	-	-	3.80	3.10	-	-
Commission to Directors						
Mr. Gautam Saigal	-	-	13.00	13.00	-	-
Mr. T. Balakrishnan	-	-	8.00	8.00	-	-
Mrs. Pratima Ram	-	-	8.00	8.00	-	-
Mr. Jeevandas Narayan			11.00	11.00		
Loan taken from						
Manappuram Finance Limited	1,500.00	5,500.00	-	-	-	-
Loan Repaid to						
Manappuram Finance Limited	1,500.00	5,500.00	-	-	-	-
Interest expense						
Manappuram Finance Limited	15.71	76.63	-	-	-	-
Software Expenses						
Manappuram Comptech and Consultants Limited	-	-	-	-	345.42	118.90
Staff Welfare Expenses						
Manappuram Health Care Limited (Vaccination)					-	0.30
Manappuram Finance Limited (Training & Education)					16.33	9.50
Travelling Expenses						
Manappuram Travels	-	-	-	-	6.00	1.51

Related Party balances:

Particulars	Holding Company		KMP		Others	
	Year ended 31 Mar 2023	Year ended 31 Mar 2022	Year ended 31 Mar 2023	Year ended 31 March 2022	Year ended 31 Mar 2023	Year ended 31 Mar 2023
Net Amounts payable/(receivable) to related parties						
Manappuram Finance Limited	(27.79)	(34.73)	-	-	-	-
Manappuram Travels					-	-
Manappuram Comptech and Consultants Ltd	-	-	-	-	1.50	0.85

Compensation of key management personnel other than those disclosed in table above i.e. Related Party transactions during the year

Expected payment for future years	"As at 31 March 2023"	"As at 31 March 2022"
Share Based Payments	-	-
Total	**-**	**-**

Note:
The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Manappuram Home Finance Limited
(Formerly Manappuram Home Finance Private Limited)
CIN : U65923KL2010PLC039179

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 35: Capital

Capital Management

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. 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.

Capital Adequacy Ratio	"As at 31 March 2023"	"As at 31 March 2022"
CRAR(%)	33.17%	38.66%
CRAR-Tier I Capital (%)	32.68%	38.45%
CRAR-Tier II Capital (%)	0.49%	0.21%
Amount of subordinated debt raised as Tier II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Particulars	"As at 31 March 2023"	"As at 31 March 2022"
Net Debt	94,504.95	62,201.60
Total Equity	23,644.59	21,697.32
Net Debt to Equity Ratio	**4:1**	**2.87:1**

Note 36: Segment Reporting

The Company's main business is Financing Activity. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the IND AS 108 "Operating Segments" which is specified under section 133 of the Companies Act, 2013.

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 37: Fair Value Measurement

The carrying value and fair value of financial instruments by categories are as follows:he IND AS 108 "Operating Segments" which is specified under section 133 of the Companies Act, 2013.

Particulars	Carrying Value		Fair Value	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Financial assets				
Cash and cash equivalents	5,978.44	893.43	5,978.44	893.43
Loans	1,09,650.44	82,744.38	1,09,650.44	82,744.38
Investment	2,332.28	-	2,332.28	-
Other Financial assets	1,143.96	1,287.23	1,143.96	1,287.23
Total financial assets	**1,19,105.11**	**84,925.04**	**1,19,105.11**	**84,925.04**
Financial Liabilities				
Payables	274.92	226.75	274.92	226.75
Borrowings (debt security)	13,033.13	11,931.94	14,330.90	13,386.53
Borrowings (other than debt security)	81,471.82	50,269.66	81,471.82	50,269.66
Other Financial liabilities	2,004.16	2,080.62	2,004.16	2,080.62
Financial Liabilities	**96,784.03**	**64,508.97**	**98,081.80**	**65,963.56**

The management assessed financial assets except loan portfolio and financial liabilities except borrowings approximate their carrying amounts largely due to short term maturities of these instruments.

Fair Value Hierarchy of assets and liabilities

Fair Value measurement

Particulars	As at 31 March 2023					As at 31 March 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets:										
Loans and advances	1,09,650.44	-	-	1,09,650.44	1,09,650.44	82,744.38	-	-	82,744.38	82,744.38
Investment	2,332.28	2,332.28			2,332.28					
Other Financial assets	1,143.96	-	-	1,143.96	1,143.96	1,287.23	-	-	1,287.23	1,287.23
Total financial assets	1,13,126.67	2,332.28	-	1,10,794.39	1,13,126.67	84,031.61	-	-	84,031.61	84,031.61
Financial Liabilities:										
Borrowing (debt securities)	13,033.13	14,330.90	-	-	14,330.90	11,931.94	13,386.53	-	-	13,386.53
Borrowing (other than debt securities)	81,471.82	-	81,471.82	-	81,471.82	50,269.66	-	50,269.66	-	50,269.66
Other Financial liabilities	2,004.16	-	-	2,004.16	2,004.16	2,080.62	-	-	2,080.62	2,080.62
Total financial liabilities	**96,509.11**	**14,330.90**	**81,471.82**	**2,004.16**	**97,806.87**	**64,282.22**	**13,386.53**	**50,269.66**	**2,080.62**	**65,736.81**

Valuation principles

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions , regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques."

"In normal course of business of the company, the company physically repossess the properties either on its own or by engaging external agents to recover the funds generally at auctions to settle the outstanding debt. Any surplus funds are returned to the customers or obligors. As a result of this practice, the properties under legal repossession after receipt of Earnest Money Deposit as specified in its policy, are not recorded on the balance sheet as loans and are treated as assets held for sale. Current assets as on March 31, 2023 worth Rs. 1,015.64 lakhs (March 31, 2022: Rs. 1203.62 lakhs) which are held for sale (Refer Note 7), are classified as level 3 on the basis distressed valuation.

Valuation methodologies of financial instruments not measured at fair value :

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained.

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 balances, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Valuation techniques

"**Level 1:** Prices quoted in active markets – The fair value of instruments that are quoted in active markets are determined using the quoted prices where they represent prices at which regularly and recently occurring transactions take place

Level 2: Valuation techniques with observable inputs - The Company uses valuation techniques to establish the fair value of instruments where prices, quoted in active markets, are not available. Valuation techniques used for financial instruments include modeling techniques, the use of indicative quotes for proxy instruments, quotes from recent and less regular transactions and broker quotes. Derivatives are valued using mark-to-market receivable/payable indicated by the counterparties. The valuation derived based on counterparties quote are also independently validated.

Level 3: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end."

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 38: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success of Healthy Business Model. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The 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.

The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed by implementing required preventive, detective and corrective controls, and through mitigating actions on a continuing basis.

a. Credit Risk

"Credit risk is the risk of loss that may occur from defaults by our Borrowers under our loan agreements. In order to address credit risk, we have stringent credit risk assessment policies for client selection. The Credit policy is approved by Board of Director and changes in credit policy is placed before the board for approval.

Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. There is a exhaustive client due diligence process in place which includes verification through both internal employees of the company and external due diligence agency.

We also follow a systematic methodology in the opening of new branches, which takes into account factors such as demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, our client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposal and to confirm that it meets the structured credit assessment parameter laid down by company's credit policy and process."

In order to mitigate the impact of credit risk in the future profitability, the company makes provisions basis the expected credit loss (ECL) model for the outstanding loans as at balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

The Company considers a financial assets 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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) :
During the last two years, Covid-19 pandemic had impacted the economic activity. Currently, while the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn Covid-19 related restrictions, the future trajectory of the pandemic may have an impact on the financialsassets of the Company.

Exposure at Default (EAD)
The outstanding balance at the reporting date is considered as EAD by the Company. Considering that the PD determined above factors in amounts at default, there is no separate requirement toestimated EAD.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has categorised its loan portfolio into various pools. The PD is calculated using Incremental NPA approach considering fresh slippage of past 3 years.

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 collateral valuation, the Company has assessed that significant recoveries happens within 2 years from the year of default. In estimating LGD, the company reviews macro-economic developments taking place in the economy.

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 38: Risk Management

b. Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources, including from banks, financial institutions and capital markets to maintain a healthy mix of sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

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

Maturity pattern of assets and liabilities as on March 31, 2023:

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days"	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
"Borrowings from banks"	39.98	77.78	636.94	842.91	1,436.79	4,065.40	9,732.07	24,822.51	19,785.06	20,032.38	81,471.82
Market Borrowing	-	-	-	-	-	2,500.00	-	8,329.70	2,203.43	-	13,033.13
"Foreign Currency Liabilities"	-	-	-	-	-	-	-	-	-	-	-
Assets											
Loan And Advances	124.53	271.32	182.60	586.69	594.17	1,829.07	3,881.60	18,735.42	23,088.45	61,566.15	1,10,860.00
Investments	-	-	-	-	-	-	233.18	1,165.90	933.20	-	2,332.28
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

* Maturity pattern is excluding the adjustment of processing fees and NCD issue expenses.

**The information on the maturity pattern is based on the reasonable assumptions made by the management. Ind AS adjustments are not consdiered in above maturity pattern.

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

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days"	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
"Borrowings from banks"	36.85	-	615.09	710.76	1,326.77	2,249.39	8,856.61	16,611.86	9,612.74	10,249.59	50,269.66
Market Borrowing	-	-	-	-	-	-	3,898.81	5,829.70	2,203.43	-	11,931.94
"Foreign Currency Liabilities"	-	-	-	-	-	-	-	-	-	-	-
Assets											
Loan And Advances	67.50	191.86	106.97	379.17	385.07	1,185.00	2,518.72	12,179.86	15,270.89	53,184.47	85,469.51
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

c. Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

d. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

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 taxis affected through the impact on floating rate borrowings, as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Finance Cost	6,697.09	4,869.17
0.50% increase	7,063.45	5,138.48
0.50% decrease	**6,330.73**	**4,599.86**

e. Price Risk

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

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 39: As per RBI circular no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 the following disclosures are as per the extant provisions of Master Direction-Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021.

i) Derivatives:

There are no derivatives taken during the current and previous year.

ii) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The Company has not exceeded the Single borrower and group borrower limits

iii) Reserve Fund u/s 29C of NHB Act 1987

Particular	"As at 31 March 2023"	"As at 31 March 2022"
Balance at the beginning of the year		
a)Statutory Reverse u/s 29C of the National Housing Bank Act 1987	631.43	487.21
b)Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	
c) Total		-
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	389.37	144.22
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NH B Act, 1987	-	-
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987"	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1,020.80	631.43
"b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987"	-	-

iv) a) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Year ended 31 March 2023	Year ended 31 March 2022
Provisions for depreciation on Investment	-	-
Provision towards NPA	(1,506.49)	527.58
Provision made towards Income tax	644.83	269.76
Other Provision and Contingencies	29.19	355.14
Provision for standard assets		
(With details like teser loan, CRE, CRE-RH etc.)	539.21	324.57

iv) b) Provisions and Contingencies

Breakup of Loans and Advances and Provisions thereon	Home		Non Home	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Standard Assets				
a) Total Outstanding Amount	71,545.76	53,623.01	37,036.24	26,392.38
b) Provisions made	342.64	108.61	196.58	47.86
Sub Standard Assets				
a) Total Outstanding Amount	936.62	2,466.78	928.29	1,073.87
b) Provisions Made	207.85	1,128.58	322.94	466.58
Doubtful Assets- Category I				
a) Total Outstanding Amount	112.11	642.62	61.70	278.00
b) Provisions Made	35.00	307.83	18.85	148.90
Doubtful Assets 2- Category II				
a) Total Outstanding Amount	130.72	813.89	108.55	178.96
b) Provisions Made	41.91	411.32	43.80	105.45
Doubtful Assets 3- Category III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions Made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions Made	-	-	-	-
Total				
a) Total Outstanding Amount	72,725.21	57,546.30	38,134.79	27,923.21
b) Provisions Made	627.39	1,956.34	582.17	768.79

v) Draw down from Reserves

Details of draw down from reserves, if any, are provided in Note 22 to these financial statements.

vi) Concentration of Advances

Particulars	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers	585.54	701.83
Percentage of advances to twenty largest borrowers to total advances of the Company	0.53%	0.83%

vii) Concentration of Exposures

Particulars	As at 31 March 2023	As at 31 March 2022
Total exposure to twenty largest borrowers/customers	597.40	752.04
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	0.54%	0.88%

viii) Concentration of NPA's

Particulars	As at 31 March 2023	As at 31 March 2022
Total exposure to top ten NPA accounts	188.02	382.54

ix) Sector-wise NPAs

Particulars	As at 31 March 2023 (In %)	As at 31 March 2022 (In %)
A) Housing Loans:		
1. Individuals	1.62	6.82
2. Builders/Project Loan	-	-
3. Corporates	-	-
4. Others	-	-
B) Non-Housing Loans		
1. Individuals	2.88	5.48
2. Builders/Project Loan	-	-
3. Corporates	-	-
4. Others	-	-

x) Movement of NPAs

Particulars	As at 31 March 2023	As at 31 March 2022
I) Net NPAs to Net Advances (%)	1.47%	3.49%
II) Movement of NPAs (Gross)		
a) Opening balance	5,454.12	4,536.63
b) Addition during the year	1,429.22	3,177.80
c) Reduction during the year	(4,605.34)	(2,260.31)
d) Closing balance	2,278.00	5,454.12
III) Movement of NPAs (Net)		
a) Opening balance	2,885.46	3,378.52
b) Addition during the year	1,209.40	1,738.26
c) Reduction during the year	(2,487.21)	(2,231.32)
d) Closing balance	1,607.65	2,885.46
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	2,568.66	1,156.31
b) Provision made during the year	400.52	1,439.54
c) Write-off/write-back of excess provisions	(2,298.83)	(27.19)
d) Closing balance	670.35	2,568.66

xi) Customer Complaints

Particulars	As at 31 March 2023	As at 31 March 2022
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	36	80
No. of complaints redressed during the year	36	80
No. of complaints pending at the end of the year	-	-

xii) RBI Disclosure-Miscellaneous

a) Registration obtained from other financial sector regulators

The Company is not registered with any other financial sector regulators.

b) Disclosure of Penalties imposed by RBI and other regulators

There is no penalty imposed by NHB or RBI during the current and previous year.

c) (i) Securitisation

Company does not have any Secrutisation transaction. There are NIL Financial Assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction

(ii) Details of non-performing financial assets purchased / sold

Refer Note 41 forming part of financial statements.

d) Exposure to Capital Market

Company does not have Exposure to Capital Market during the current and previous year.

e) Details of financing of parent company products

Company does not have financing of parent company products during the current and previous year.

f) Investments

Particulars	As at 31 March 2023	As at 31 March 2022
1. Value of Investments		
(i) Gross value of investments		
(a) In India	2,332.28	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	2,332.28	-
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-
	2,332.28	-

g) Overseas Assets

Company does not have any Overseas Assets during the current and previous year.

h) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) Name of the SPV

Company does not have Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms).

i) Loan against Gold

Company does not have any loans/advances against Gold during the current and previous year.

j) Unhedged Foreign Currency

The company does not have unhedged foreign currency as on reporting date.

k) Immovable Property

The company has not purchased any Immovable property during the current and previous year.

l) Fraud Reporting

The company has reported two frauds amounting to Rs. 35.77 lakhs during the year ended march 31 2023 (March 31, 2022: 7.26 Lakhs).

m) Unsecured Advances

The company has not given any unsecured advances.

n) Details of Assignment Transactions undertaken by HFC

Refer Note 41 forming part of financial statements.

o) Ratings assigned by credit rating agencies and migration of ratings during the year:

Instrument	Credit rating agency	Ratings assigned
Loan Term Bank Facilities	CARE Rating	CARE AA- Stable
Loan Term Bank Facilities	CRISIL	CRISIL AA- Stable
Non convertible debentures	CARE Rating	CARE AA- Stable
Market Linked debentures	CARE Rating	CARE PP MLD AA- Stable
Commercial Paper	CRISIL	CRISIL A1 +

p) Engagement of broker

There are no brokers engaged to deal in Investment Transactions by the Company during the current and previous year.

q) Sales out of amortised cost

There are nil cases of sales out during the current and previous year.

r) Details of revaluation of Fixed Assets

No revaluation of Fixed assets done by the company during the current and previous year.

s) Exposure to Real Estate Sector

Particulars	As at 31 March 2023	As at 31 March 2022
A. DIRECT EXPOSURE		
(i) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	72,725.21	57,546.30
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates		
· Funds Based and Non Fund Based	-	-
· Others (refer note below)	38,134.79	27,923.21
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
. Residential	-	-
. Commercial Real Estate	-	-
B. INDIRECT EXPOSURE		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector*	**1,10,860.00**	**85,469.51**

Note:

a. Amount disclosed under Commercial Real Estate includes non-housing loan which are provided against residential/commercial property.

* The amount disclosed above is Principal Outstanding

t) Exposure to group companies engaged in real estate business

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

u) **Remuneration of Directors**

Refer Note 34 (related party transaction) forming part of financial statements.

v) **Consolidated Financial Statements (CFS)**

Consolidated financial statement is not applicable for the company.

w) **Concentration of Public Deposits**

Company does not accept public deposits.

x) **Corporate Social Responsibility**

Refer Note 27(c) forming part of financial statements.

y) **MSME Disclosures**

There are no dues to MSME vendors as at March 31, 2023 (March 31, 2022: Nil).

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 40(a): RBI Disclosure

As per RBI Circular No RBI/2019-20/170 dated March 13, 2020, NBFCs shall hold impairment allowances as required by IND AS. In parallel, NBFCs shall also maintain the asset classification and compute provisions as per extant prudential norms on Income Regonition, Asset Classification and Provisioning for standard as well as restructured assets, NPA ageing etc. A comparision between provisions required under IRACP and impairment allowances made under IND AS 109 should be disclosed by NBFCs in their notes to financial statements.

A comparision between provisions required under IRACP and impairment allowances made under IND AS 109 for FY2022-23 is disclosed below :

Asset Classification as per RBI Norms	Asset Classification asper 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
Performing assets						
Standard	Stage 1	1,01,377.26	343.43	1,01,033.84	302.58	40.85
	Stage 2	7,204.74	195.79	7,008.95	21.99	173.80
Subtotal		**1,08,582.00**	**539.21**	**1,08,042.78**	**324.57**	**214.64**
Non Performing Assets (NPA)						
Substandard	Stage 3	1,864.92	530.79	1,334.13	280.74	250.05
Doubtful - Upto 1year	Stage 3	173.81	53.85	119.96	43.67	10.18
1 to 3 years	Stage 3	239.27	85.71	153.56	96.05	(10.34)
More than 3 years	Stage 3	-	-	-		-
Subtotal for Doubtful		**413.08**	**139.56**	**273.52**	**139.72**	**(0.16)**
Loss		-	-	-	-	-
Subtotal for NPA		**2,278.00**	**670.35**	**1,607.65**	**420.46**	**249.89**
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	4,715.55	15.52	4,700.03	-	15.52
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**1,06,092.81**	**358.95**	**1,05,733.87**	**302.58**	**56.37**
	Stage 2	**7,204.74**	**195.79**	**7,008.95**	**21.99**	**173.80**
	Stage 3	**2,278.00**	**670.35**	**1,607.65**	**420.46**	**249.89**
	Total	**1,15,575.54**	**1,225.08**	**1,14,350.46**	**745.03**	**480.05**

A comparision between provisions required under IRACP and impairment allowances made under IND AS 109 for FY2021-22 is disclosed below :

Asset Classification as per RBI Norms	Asset Classification asper 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
Performing assets						
Standard	Stage 1	76,122.78	113.36	76,009.42	650.60	(537.24)
	Stage 2	3,892.61	43.11	3,849.50	72.72	(29.61)
Subtotal		**80,015.39**	**156.47**	**79,858.92**	**723.32**	**(566.85)**
Non Performing Assets (NPA)						
Substandard	Stage 3	3,540.66	1,595.16	1,945.50	502.98	1,092.18
Doubtful - Upto 1year	Stage 3	920.62	456.74	463.89	205.25	251.49
1 to 3 years	Stage 3	992.84	516.76	476.08	337.03	179.73
More than 3 years	Stage 3	-	-	-		-
Subtotal for Doubtful		**1,913.46**	**973.50**	**939.96**	**542.28**	**431.22**
Loss		-	-	-	-	-
Subtotal for NPA		**5,454.12**	**2,568.66**	**2,885.46**	**1,045.26**	**1,523.40**
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	4,829.31	5.20	4,824.11	-	5.20
	Stage 2	150.29	1.24	149.05	-	1.24
	Stage 3	-	-	-	-	-
Total	**Stage 1**	**80,952.09**	**118.56**	**80,833.53**	**650.60**	**(532.04)**
	Stage 2	**4,042.90**	**44.35**	**3,998.55**	**72.72**	**(28.37)**
	Stage 3	**5,454.12**	**2,568.66**	**2,885.46**	**1,045.26**	**1,523.40**
	Total	**90,449.11**	**2,731.57**	**87,717.54**	**1,768.58**	**962.99**

Note 40(b) : New IRAC norms on Income Recognition and Asset Classification

On November 12, 2021, the Reserve Bank of India ("RBI") had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms ("IRACP norms") pertaining to Advances. On February 15, 2022, the RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 providing time till September 30, 2022. However, the Company has not opted for deferment and continue to align stage 3 definition to revised NPA definition.

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 41 : Details of assignment transactions undertaken

a. During the year, the Company had not purchased performing mortgage loans from other housing finance company(ies).

b. The following table sets forth, for the periods indicated, details of loans transferred through Direct Assignment.

Particular	Year ended March 31, 2023	Year ended March 31, 2022
Number of loans	563	-
Aggregate amount	3,919.8	-
Sale consideration2	2,743.9	-
Number of transactions	1	-
Weighted average maturity (remaining)	144	-
Weighted average holding period (after origination)	144	-
Retention of beneficial economic interest (average)	Nil	-
Coverage of tangible security coverage	Nil	-
Rating wise distribution of rated loans	NA	-
"Number of instances (transactions) where transferor has agreed to replace the transferred loans"	Nil	-
Number of transferred loans replaced	Nil	-
Additional consideration realised in respect of accounts transferred in earlier years	Nil	-
Aggregate gain/(loss) over net book value	-1,161.98	-

c. The following table sets forth, for the periods indicated, details of stressed loans transferred to ARCs.

Particular	Year ended March 31, 2023		
	To ARCs	To permitted transferees	To other transferees
No. of accounts	563		
Aggregate principal outstanding of loans transferred	3919.8		
"Weighted average residual tenor of the loans transferred"	144		
Net book value of loans transferred (at the time of transfer)	2233.77		
Aggregate Consideration	2743.9		
Additional consideration realized in respect of accounts transferred in earlier years	Nil		

Note 42 : Principal Business Criteria

The following table sets forth, for the periods indicated, fulfilment of the principal business criteria as applicable for housing finance companies (HFCs)

Position as at	Percentage of total assets'towards housing finance*	Percentage of total assets'towards housing finance for individuals
At March 31,2023	60.58%	60.58%
At March 31,2022	67.22%	67.22%

*Total Assets netted off by Intangible Assets

Manappuram Home Finance Limited
(Formerly Manappuram Home Finance Private Limited)
CIN : U65923KL2010PLC039179

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 43 : Disclosure of details as required by Notification No. RBI/2022-23/26 DOR.ACC. REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022

A) Exposure

(i) Exposure to real estate sector

Position as at	Percentage of total assets'towards housing finance*	Percentage of total assets'towards housing finance for individuals
i) Direct exposure	**1,10,860.00**	**85,469.51**
a) Residential Mortgages –	**72,725.21**	**57,546.30**
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 (NFB) limits.	72,725.21	57,546.30
b) Commercial Real Estate –	**38,134.79**	**27,923.21**
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	38,134.79	27,923.21
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
I. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure	-	-
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	**1,10,860.00**	**85,469.51**

(ii) Exposure to capital market

Position as at	2022-23	2021-22
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) 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	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total exposure to capital market	**-**	**-**

(iii) Sectoral exposure

Sectors	2022-23			2021-22		
Particulars	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	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**
2. Industry						
2.1. Micro and Small		-	0.00%			0.00%
2.2. Medium		-	0.00%			0.00%
2.3. Large			0.00%			0.00%
Total of Industry (2)	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**
3. Services						
3.1.Transport Operators	-	-	0.00%	-	-	0.00%
3.2.Computer Software	-	-	0.00%	-	-	0.00%
3.3. Tourism, Hotels and Restaurants	-	-	0.00%	-	-	0.00%
3.4. Shipping	-	-	0.00%	-	-	0.00%
3.5. Aviation	-	-	0.00%	-	-	0.00%
3.6. Professional Services	-	-	0.00%	-	-	0.00%
3.7. Trade	-	-	0.00%	-	-	0.00%
3.7.1. Wholesale Trade (other						
than food procurement)	-	-	0.00%	-	-	0.00%
3.7.2. Retail Trade	-	-	0.00%	-	-	0.00%
3.8. Commercial Real Estate	-	-	0.00%	-	-	0.00%
3.9. Non-Banking Financial Companies						
(NBFCs) of which,	-	-	0.00%	-	-	0.00%
3.9.1. Housing Finance Companies (HFCs)	-	-	0.00%	-	-	0.00%
3.9.2. Public Financial Institutions (PFIs)	-	-	0.00%	-	-	0.00%
3.10. Other Services		-	0.00%		-	0.00%
Total of Services (3)	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**
4. Personal Loans						
4.1. Consumer Durables	-	-	0.00%	-	-	0.00%
4.2. Housing (Including Priority						
Sector Housing)	72,725.21	-	0.00%	-	-	0.00%
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	0.00%	-	-	0.00%
4.4. Advances to Individuals against share, bonds, etc.	-	-	0.00%	-	-	0.00%
4.5. Credit Card Outstanding	-	-	0.00%	-	-	0.00%
4.6. Education	-	-	0.00%	-	-	0.00%
4.7. Vehicle Loans	-	-	0.00%	-	-	0.00%
4.8. Loans against gold jewellery	-	-	0.00%	-	-	0.00%
4.9. Other Personal Loans	-	-	0.00%	-	-	0.00%
4.10.Others	38,134.79	-	0.00%	-	-	0.00%
Total of Personal Loans (4)	**1,10,860.00**	**-**	**0.00%**	**-**	**-**	**0.00%**
5. Others, if any (please specify)	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**
Total (1+2+3+4+5)	**1,10,860**	**-**	**0.00%**	**-**	**-**	

(iv) Intragroup Exposure

Position as at	2022-23	2021-22
i) Total amount of intra-group exposures	-	-
ii) Total amount of top 20 intra-group exposures	-	-
iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.00%	0.00%

(v) There were no unhedged foreign currency transactions during current year. Refer Note No. 40C (ii) for policies to manage currency induced risk.

Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Disclosure of details as required by Notification No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022 (continued)

B) Related Party Disclosure

2022-23

						Others			
Nature of transaction	**Holding Company**	**Subsidiary**	**Associate/ Joint Ventures**	**Key Managerial Personnel (KMP)**	**Relative of KMP**	**Subsidiary of Holding Company**	**Investor exercising significant influence**	**Total**	**Maximum outstanding during the year**
Borrowings#	1,500.00	-	-	-	-	-	-	1,500.00	1,500
Deposits#	-	-	-	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-	-	-	-
Advances#	-	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-	-
"Purchase of fixed/other assets"	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
Interest Paid	15.71	-	-	-	-	-	-	15.71	-
Interest Received	-	-	-	-	-	-	-	-	-
Others									-
Equity shares held	-	-	-	-	-	-	-	-	-
Issue of Non Convertible Debentures*	-	-	-	-	-	-	-	-	-
Purchase of loan portfolio*	-	-	-	-	-	-	-	-	-

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

(All amounts are in Rupees in lakhs, unless otherwise stated)

2021-22

Nature of transaction	Holding Company	Subsidiary	Associate/ Joint Ventures	Key Managerial Personnel (KMP)	Relative of KMP	Others: Subsidiary of Holding Company	Others: Investor exercising significant influence	Total	Maximum outstanding during the year
Borrowings#	5,500.00	-	-	-	-	-	-	5,500.00	5,500.00
Deposits#	-	-	-	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-	-	-	-
Advances#	-	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-	-
"Purchase of fixed/other assets"	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-
Interest Paid	76.63	-	-	-	-	-	-	76.63	-
Interest Received	-	-	-	-	-	-	-	-	-
Others									-
Equity shares held	-	-	-	-	-	-	-	-	-
Inter-Corporate Deposit received*	-	-	-	-	-	-	-	-	-
Inter-Corporate Deposit repaid*	-	-	-	-	-	-	-	-	-
Equity capital infusion (inclusive of security premium)*	-	-	-	-	-	-	-	-	-
Purchase of loan portfolio*	-	-	-	-	-	-	-	-	-

The outstanding at the year end and the maximum during the year.

* Transactions during the year.

Disclosure of details as required by Notification No. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 - Disclosures in Financial Statements- Notes to Accounts of NBFCs dated April 19, 2022 (continued)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	2022-23	2021-22
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	36	80
3	Number of complaints disposed during the year	36	80
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	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	Of 5, number of complaints pending beyond 30 days
			2022-23		
Transaction Related (EMI, ECS, etc)	-	10	-41	-	-
CIBIL Related	-	9	29	-	-
Documents Related	-	8	-58	-	-
Loan Closure Related	-	4	-69	-	-
PMAY Subsidy Related	-	2	-88	-	-
Others	-	3	-57	-	-
Total	**-**	**36**	-	**-**	-
			2021-22		
Transaction Related (EMI, ECS, etc)	-	17	-6	-	-
CIBIL Related	-	7	75	-	-
Documents Related	-	19	19	-	-
Loan Closure Related	-	13	225	-	-
PMAY Subsidy Related	-	17	0	-	-
Others	-	7	-77	-	-
Total	**-**	**80**	-	**-**	-

D) There is no breach of covenant of loan availed or debt securities issued.

E) Divergence in Asset Classification and Provisioning

Sr.	Particulars	Amount
1	Gross NPAs as on March 31, 2023 as reported by the NBFC	2,278.00
2	Gross NPAs as on March 31, 2023 as assessed by the Reserve Bank of India	2,278.00
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as on March 31, 2023 as reported by the NBFC	1,607.65
5	Net NPAs as on March 31, 2023 as assessed by Reserve Bank of India	1,607.65
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as on March 31, 2023 as reported by the NBFC	6.70
8	Provisions for NPAs as on March 31, 2023 as assessed by Reserve Bank of India	6.70
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2023	1,431.42
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2023	1,946.87
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2023 after considering the divergence in provisioning	1,946.87

Manappuram Home Finance Limited
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Notes Forming Part of Financial Statements For the Year Ended 31 March 2023

(All amounts are in Rupees in lakhs, unless otherwise stated)

Note 44: Financial Ratios

Ratio	31 March 2023	31 March 2022	Reason for change in ratio by more than 25%
Capital to risk-weighted assets ratio (CRAR)	33.17%	38.66%	-
Tier I CRAR	32.68%	38.45%	-
Tier II CRAR	0.49%	0.21%	Due to increase in Bad debts
Liquidity Coverage Ratio *	NA	NA	

*As per RBI circular no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021, as amended, since the Company's asset size is less than Rs. 5,000 crores, disclosure of Liquidity Coverage Ratio is not applicable.

Note 45 : Diagramatic Representation of Group Structure

HOLDING COMPANY

MANAPPURAM FINANCE LIMITED

SUBSIDIARIES

Manappuram Home Finance Limited

Manappuram Comptech and Consultant Limited

Asirwad Micro Finance Limited

Manappuram Insurance Brokers Limited

Note 46: Additional disclosures as per Schedule III of the Companies Act 2013

(i) During the financial year ended 31 March 2023, the Company has not granted loans to the related parties which is repayable on demand.

(iii) The Company has not entered in to any transactions during the year with the companies struck off under section 248 of Companies Act, 2013.

(iii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(iv) Utilisation of Borrowed funds and share premium:

"A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -

(I) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;"

"B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

Note 47 : Previous year figures have been regrouped / reclassified wherever necessary to confirm to current period presentation.

Signature to Notes to Accounts
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg No. 106655W

For and on behalf of the Board of Directors

S. M. Chitale
Partner, M. No. 111383

V.P. Nandakumar
Chairman, DIN : 00044512

Suveen P S
Chief Executive Officer

Robin Karuvely
Chief Financial Officer

Sreedivya S
Company Secretary

Place: Mumbai
Date: 10.05.2023

Place: Mumbai
Date: 10.05.2023

Annex I

Schedule to the Balance Sheet

(Rupees in lakhs)

Particulars		
Liabilities side	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	13,033.13	
Unsecured	-	-
(olher than falling wilhin lhe meaning ol public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	79,255.41	
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans (specify nature)	2,216.40	-
* Please see Note 1 below		
(2) Break-up of (1)(f} a bove (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-
*Please see Nole 1 below		
(2) Break-up of (1)(f} a bove (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-
*Please see Nole 1 below		
Assets side	**Amount outstanding**	
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	1,09,650.44	
(b) Unsecured	-	
(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	
(b) Operating lease	-	
(ii) Stock on hire including hire charges under sundry debtors	-	
(a) Assets on hire	-	
(b) Repossessed Assets	-	
(iii) Other loans counting towards asset financing activities	-	
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above	-	

Assets side	Amount outstanding
(5) Break-up of Investments	
Current Investments	
1. Quoted	
(I) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted	
(I) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	233.18
Long Term investments	
1. Quoted	
(I) Share	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted	
(I) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	2,099.10

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:
(Please see Note 2 below)

Category	Amount net of provisions		
	Secured	**Unsecured**	**Total**
1. Related Parties **	-	-	
(a) Subsidiaries	-	-	
(b) Companies in the same group	-	-	
(c) Other related parties	-	-	
2. Other than related parties	1,09,650.44	-	109650.44
Total	**109650.44**		109650.44

(7) "Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
(Please see Nole 3 below)

Category	Market Value I Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	2332.28	2332.28
Total	-	-

" As per applicable Accounting Standard (Please see Note 3)

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	2,278.00
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	1,607.65
(iii) Assets acquired in satisfaction of debt	

Note s:

1. As defined in Paragraph 4.1.30 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. As per applicable Accounting Standards including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shal be disclosed irrespective of whether they are classified as long term or current in (5) abovg.

Public Disclosure on Liquidity Risk for the quarter ended March 31, 2023 as per the Guidelines on Liquidity Risk Management Framework under Para 15A of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by the Reserve Bank of India and updated from time to time.

i. Funding Concentration based on significant counterparty (borrowings)

Number of Significant Counterparties	Amount (Rs. in Lakhs)	% of Total Deposits	% of Total Liabilities*
17(Seventeen)	93,606.15	Not applicable	96.45

* Total liabilities do not include net worth of the Company.

ii. Top 20 large deposits

Not applicable. The Company is registered with National Housing Bank to carry on the business of housing finance institution without accepting public deposits.

iii. Top 10 borrowings

Sl. No.	Nature of Facility	Amount (Rs. in Lakhs)	% of Total Borrowings
1.	Term Loan I	14,715.57	15.57
2.	Non-Convertible Debentures	13,033.13	13.79
3.	Term Loan II	10,000.00	10.58
4.	Term Loan III	7,102.80	7.52
5.	Term Loan IV	6,548.60	6.93
6.	Term Loan V	5,474.81	5.79
7.	Term Loan VI	5,000.00	5.29
8.	Term Loan VII	4,582.11	4.85
9.	Term Loan VIII	4,243.55	4.49
10.	Term Loan IX	4,073.17	4.31

iv. Funding Concentration based on significant instrument/product

Sl. No.	Name of the instrument/product	Amount (Rs. in Lakhs)	% of Total Liabilities*
1.	Term Loans	79,255.41	81.66
2.	Non-Convertible Debentures	13,033.13	13.43
3.	Working Capital Demand Loan	1,500.00	1.55
4.	Cash Credit	716.40	.74

*Total liabilities does not include net worth of the Company

v. Stock Ratios

Sl. No.	Stock Ratio	Percentage (%)
1.	Commercial papers as a % of total public funds	Nil
2.	Commercial papers as a % of total liabilities	Nil
3.	Commercial papers as a % of total assets	Nil
4.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds.	Nil
5.	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities.	Nil
6.	Non-convertible debentures (original maturity of less than one year) as a % of total assets.	Nil
7.	Other short-term liabilities as a % of total public funds	21.37
8.	Other short-term liabilities as a % of total liabilities*	20.81
9.	Other short-term liabilities as a % of total assets	19.10

*Total liabilities does not include net worth of the Company

vi. Institutional set-up for liquidity risk management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance, structure, policies, strategy and the risk tolerance limit for the management of liquidity risk.

The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held at quarterly interval.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), consisting of the Company's top management which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective. The role of the ALCO also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds. ALCO meetings are held once in a quarter or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/approval/ratification.

Note:

1) Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for NonBanking Financial Companies and Core Investment Companies.

2) Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for NonBanking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4) Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

Details of dividend declared during the financial year 2022-23 : NIL

Accounting period	Net profit for the accounting period (crore)	Rate of dividend (per cent)	Amount of dividend (crore)	Dividend Pay out ratio (per cent)

quarter or half year or year ended ----- as the case may be

Annual Report 2022-2023

Loved and
experienced customers
since early 2014

MANAPPURAM HOME FINANCE LTD.

A home for everyone

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Registered Office : Manappuram Home Finance Limited, W-4/638A, Manappuram House, Valapad P.O, Thrissur - 680567.
Tel: 0487 3050435 / 3050419 **Website:** www.manappuramhomefin.com