

39th

Annual Report 2024 - 2025



Manipal Housing Finance Syndicate Ltd.

Regd. Office: Manipal House, Manipal – 576 104, Karnataka



Network of Branches

Manipal: Manipal House, Manipal – 576 104
Bangalore: Unit No. N – 116, Manipal Centre
North Block, Dickenson Road, Bangalore – 560 042
Mangalore: Ideal Towers, D.No.13-1-25/39
1st Floor, Opp. Sharavu Mahaganapathi Temple
Sharavu Temple Road, Mangalore – 575 001
Udupi: Maruthi Veethika, II Floor,
New Vyavahar Complex, Udupi – 576 101
Chennai: Gemini Parson – Commercial Complex,
Ground Floor, D-6, No. 1,
Kodambakkam High Road, Chennai – 600 006
Mumbai: 3, Priyotama Sahaniyas,
Prarthana Samaj Road, Vile Parle (E),
Mumbai – 400 057
B C Road: First Floor, SR Complex, NH 75,
BC Road, Jodumarga, D.K. District – 574 219
Surathkal: Shop No. S-209, 1st Floor, Suma Tower
MRPL Road, Surathkal – 575 014
Kankanady: Ground Floor, Alfa Centre,
Bye-pass Road, Kankanady, D.K. District – 575 002
Udupi: Shop No. 2, First Floor,
Sheikh Hina Complex, Anjuman Road,
Near City Bus Stand, Udupi – 576 101
Kundapura: Shop No. 3, First Floor, Yediyaal
Complex, Near Old Bus Stand, Kundapura
Udupi District – 576 201
Yeshwanthpur: Shop No. 3, First Floor,
Jai Complex Triveni Road, Yeshwanthpur,
Bangalore – 560 022
Chamarajpet: First Floor, No. 68/1, 5th Main Road,
Opp. Ram Mandir Busstop, 134/1, 4th Main Road,
9th Cross, Chamarajpet, Bangalore South – 560 018
Sunkadakatte: First Floor
Gangadarappa Building, 119 Magadi Main Road
Near Shanthi Dhama School, Sunkadakatte
Bangalore – 560 091
Vittal: Shop No. 9, 1st Floor, Appaji Rao Complex
Puttur Road, Opp. Private Bus Stand
Vittal – 574 243, D.K. District
Hebri: Shop No. 5, First Floor, Ramanath Complex
Main Road, Opp. Bus Stand, Hebri – 576 112
Srinivasnagar: Shop No. 3, First Floor
341/A, 80 Ft Road, Opp. Bank Colony Bus Stand
Srinivasnagar, Banashankari 1st Stage
Bangalore – 560 050
Moodabidri: Moodabidri Branch, Shop No. 12,
First Floor, Panchami Apartment,
Nagarkatte Road, Behind Market,
Moodabidri – 574 227, D.K. District
Kamakshipalya: Shop No. 3, First Floor
Jayalakshmi Complex, Magadi Main Road
Near Ganesh Temple, Kamakshipalya
Bangalore – 560 079
Sullia: Shop No. 5, First Floor, Honesty Building
Main Road, Balemakki, Sullia – 574 239
Kadaba: Shop No. 4, 1st Floor, Sri Ram Towers Main
Road, Near Sri Durgambika Amma Temple, Kadaba
D. K. District – 574 221
Bhatkala: Shop No. 32, 1st Floor, Mahale Building
Sagar Road, Near Samshuddin Circle, Bhatkal
U.K. District – 581 320

Bajpe: 1st Floor, Britto's First, Main Road
Opp. Bus Stand, Bajpe - 574 142
Periya Patna: Shop No. 8, First Floor
L. M. Complex, B. M. Road, Near KSRTC Bus Stand
Periya Patna, Mysore District – 571 107
Sharadadevi Nagar: Shop No. 4, First Floor, No. 206
New Kantharaja Urs Road, Near Aralikatte Temple
Sharadadevi Nagar – 570 022, Mysore
Kushal Nagara: Shop No. 1, First Floor
Taanya Lakshmi Building, Rathabeedi
Near Govt. Hospital, Kushal Nagara
Kodagu District – 571 234
Hinkal: Branch Shop No. 4, First Floor, Shankar Complex,
Hunsur Road, Near Flyover, Hinkal, Mysore – 570 017
K. R. Nagara: Ground Floor, Laxmi Narayana Nilaya,
No. 17, Mysore Road, Near Police Station,
K. R. Nagar, Mysore – 571 602
Kengeri: Shop No. 2, First Floor, 118/2,
Mysore Road, Fort Kengeri, Kengeri
Bangalore Dist. – 560 060
Saligrama: 1st Floor, Mahaveer Nilaya,
Mahaveer Road, Opp. Bus Stand
Saligrama, Mysore – 571 604
Mudipu: Shop No. 61, First Floor, P. K. Towers
Vittal – Mangalore Road, Near Mudipu Bus Stand,
Mudipu, D.K. Dist., Karnataka – 574 153
Virajpet: Shop No. 2, 1st Floor, Sathyanarayana Complex,
Main Road, Near Hotel Dilli Darbar,
Kodagu District, Karnataka – 571 218
Shimoga: Shop No. 7, 1st Floor, N S Complex,
Bypass Road, Near Hotel Dilli Darbar,
K. R. Puram, Shivamogga – 577 202
Honnali: Shop No. 2 & 3, 1st Floor
Janani Complex, Sarvarkeri Road, Near Bus Stand
Honnali, Davanagere Dist., Karnataka – 577 217
Hunsur: No. 1825, Katha No. 1326/1825/1
First Floor, BM Road, Near Hunsur Bus Stand,
Mysore – 571 105
Thirthahalli: Shop No. 5, 1st Floor, Thavarumane
Complex, Near Dy S P Office, Car Street Road,
Thirthahalli – 577 432
Shikaripura: First Floor, AKS Complex,
Old Market Road, Opp. Marikamba Temple,
Shikaripura, Shimoga Dist. – 577 427
Nyamathi: Shop No. 10, First Floor, Gokul Complex
Mahanteshwara Road, Near Kalyana Mantapa, Nyamathi
Davanagere Dist. – 577 223
Bettadapura: Shop No. 1, First Floor, B.K. Complex
K.R. Nagar Road, Near Circle Bettadapura
Mysore Dist. – 571 102
Gonikoppal: Shop No. 4, First Floor, Babu J Complex
Old Police Station Road, Opp. Grama Panchayat
Gonikoppal – 571 213, Kodagu District.
Puttur: Shop No. 5, First Floor, Chandra's Complex
Main Road, Near Venkatramana Temple
Puttur – 574 201, D.K. Dist.



BOARD OF DIRECTORS

Chairman

Sri N A Shanbhag

Executive Director

Sri T Sunil Pai

Directors

Mrs. Vijayalaxmi N Pai

Sri K Gokuldas Pai

Sri Rama Naik – Nominee, Canara Bank – upto 11.06.2025

Sri Raghuveera Shenoy

Sri H K Gangadhar – Nominee, Canara Bank, appointed on 11.06.2025

General Manager

Dr. K K Ammannaya

Deputy General Manager

Sri N Ashok

Auditors

M/s Shyanbhoga Hegde & Associates

Chartered Accountants

Mathru Chaya

Op. Gandhi Park

NH 66, Kundapura - 576 201

Bankers

1) Canara Bank, 2) State Bank of India, 3) Indian Overseas Bank, 4) Union Bank of India, 5) Federal Bank, 6) Punjab National Bank, 7) South Indian Bank, 8) HDFC Bank, 9) Bajaj Finance Ltd. 10) Security Trustees for the Public Deposits – SBICAP Trustee Company Limited

Registered Office

MANIPAL HOUSE, MANIPAL – 576 104 (UDUPI), KARNATAKA

Phone : (0820) 2570741 ISIN No.: INE03Y801013

Website : www.manipalhousing.com

CIN No. : U65922KA1986PLC007396

Contents	Page
NOTICE	2
DIRECTORS' REPORT	7
AUDITORS' REPORT	22
BALANCE SHEET	28
PROFIT & LOSS ACCOUNT	29
NOTES	30
DISCLOSURES REQUIRED BY NHB	46

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 39th Annual General Meeting of the Members of Manipal Housing Finance Syndicate Limited will be held on Friday, the 12th day of September, 2025 at 11.00 a.m. at the Regd. Office: "Manipal House", Manipal – 576 104 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2025, statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of interim dividend on Cumulative Redeemable Preference Shares.
3. To declare dividend on the Equity Shares for the Financial Year ended March 31, 2025.
4. To appoint a Director in place of Smt. Vijayalaxmi N Pai, (DIN: 00101662) who retires by rotation, and being eligible offers herself for reappointment.

SPECIAL BUSINESS

5. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as a *Special Resolution*:
Appointment of Mr. Nagesh Anant Shanbhag as Non-Executive Non-Independent Director.**

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013, approval of the members be and is hereby accorded for the appointment of Mr. Nagesh Anant Shanbhag (DIN: 07157128), who has completed two terms as an Independent Director, as a Non-Executive Non-Independent Director, liable to retire by rotation, with effect from 15th August, 2025, and that he shall continue to serve as Chairman of the Company."

6. **To consider and, if thought fit, to pass, with or without modifications, the following resolution as a *Special Resolution*:
Appointment of Mr. Kalsanka Gokuldas Pai as Independent Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and based on the recommendation of the Board of Directors and the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for appointment of Mr. Kalsanka Gokuldas Pai (DIN: 09131513), who is currently a Non-Executive Non-Independent Director of the Company and who has submitted a declaration under Section 149(6) of the Companies Act, 2013 confirming that he meets the criteria of independence, as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 14th August, 2025.

RESOLVED FURTHER THAT Mr. T Sunil Pai, Executive Director [DIN 00104564] be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

By Order of the Board

Registered Office:
"Manipal House"
Manipal – 576 104
14.08.2025

Sd/-
(N A Shanbhag)
Chairman

NOTES:

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 06.09.2025 to 12.09.2025 to (both the days inclusive).
3. The dividend for the financial year ended March 31, 2025, as recommended by the Board, if approved by the members, will be paid on or after 12.09.2025 to those members whose name appear in the Company's Register of Members as on Book Closure dates.
4. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

5. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. The Ministry of Corporate Affairs ('MCA') has notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The details of the unpaid/unclaimed dividend amounts lying with the Company as on 31.03.2025 are available on the website of the Company www.manipalhousing.com and on Ministry of Corporate Affairs' website. The shareholders whose dividend/shares as transferred/may transfer to the IEPF Authority can claim their shares from the Authority by following the Refund Procedure as detailed at the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>. Members who have not encashed their dividend pertaining to Financial Year 2018-19 are requested to write to the Company immediately claiming dividends declared by the Company. The unpaid/unclaimed dividend for the Financial Year ended March 31, 2018 is due for transfer to IEPF on 16.09.2025. Members are requested to contact the Company at its Registered Office Address to en-cash the unclaimed dividend.
11. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

The instructions for shareholders voting electronically are as under:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 09.09.2025 at 9.30 a.m. and ends on 11.09.2025 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 05.09.2025 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iii) Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important Note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (iv) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
 - 1) The shareholders should log on to the e-Voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for



resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vii) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) Additional Facility for Non-Individual Shareholders and Custodians – For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorrelations@manipalhousing.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES

1. For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 18005533.

4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Therefore, members are required to submit their PAN to the Company.
5. Members holding shares in single name and in physical form are advised to make a nomination in Form SH-13 in respect of their shareholding in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos.5 and 6 of the accompanying Notice dated 11.06.2025:

Item No. 5:

Mr. Nagesh Anant Shanbhag (DIN: 07157128) has served as an Independent Director of the Company for two consecutive terms of

five years each. As per Section 149(11) of the Companies Act, 2013, he is not eligible for reappointment as an Independent Director immediately after two terms.

In view of his vast experience and continued guidance to the Company as Chairman, the Board has recommended his appointment as a Non-Executive Non-Independent Director, liable to retire by rotation, with effect from 15th August, 2025. He shall continue as Chairman of the Board in his new role.

The Board recommends the Special Resolution for your approval.

Except Mr. Nagesh Anant Shanbhag, none of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said resolution.

Item No. 6:

Mr. Kalsanka Gokuldas Pai (DIN: 09131513) is currently serving as a Non-Executive Non-Independent Director. He has offered himself to be re-designated as an Independent Director and has provided a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

Based on the recommendation of the Nomination and Remuneration Committee, the Board has proposed his re-designation and appointment as a Non-Executive Independent Director of the Company for a term of five years commencing from 14th August, 2025, not liable to retire by rotation.

The Board recommends the Special Resolution for your approval.

Except Mr. Kalsanka Gokuldas Pai, none of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the said resolution.

By Order of the Board

Registered Office:
"Manipal House"
Manipal – 576 104
14.08.2025

Sd/-
(N A Shanbhag)
Chairman

Board's Report

To,

The Members,

Your Directors have extreme pleasure in presenting the 39th Annual Report on the business and operations of Manipal Housing Finance Syndicate Ltd and the accounts for the Financial Year ended March 31, 2025.

The year 2024-25 was another year of satisfactory performance for Manipal Housing Finance Syndicate Ltd. (MHFSL). MHFSL performed reasonably well on diverse fronts during the year as could be seen from the details of performance and financial results during the year.

1. Financial Results:

The following table succinctly brings out the financial performance of the Company during the F.Y. 2024-25:

₹ in Lakhs

Particulars	2024-2025		2023-2024	
Gross Income		6,471.75		5,862.14
Profit Before Interest and Depreciation		5,376.18		4,900.26
Finance Charges		3,685.95		3,283.84
Provision for Depreciation		30.64		65.05
Profit before Tax		1,659.59		1,551.37
Tax expenses:				
Current Income Tax	396.00		371.00	
Income Tax earlier year's provision	-		(15.77)	
Deferred Tax Adjustments	25.83	421.83	31.86	397.09
Net profit after Tax		1,237.76		1,154.28
Balance of Profit brought forward		6,799.96		5,944.52
Balance available for appropriation		8,037.72		7,098.80
Transfer to Special Reserve		236.00		234.66
Reserves in terms of Sec.29 of NHB Act, 1987		11.60		-
Interim Dividend on Preference Shares		8.90		8.90
Equity Dividend for the year end 31.3.2024		55.28		55.28
Surplus carried to Balance Sheet		7,725.94		6,799.96

2. Economic Scene:

India's GDP was projected to grow by 6.5% in FY 2024-25 according to the second advance estimate of the National Statistics Office (NSO). This growth is driven by high private consumption and government spending with sectors such as construction, trade and financial services leading the way.

Geo-political tensions continued throughout the year 2024-2025. Towards the end of the year 2024-25 with the assumption of office by new administration in the US, fresh tensions cropped up on account of US tariffs. Thus, the continued tensions and global uncertainties led to decline in growth prospects. India too faced terror attacks in Jammu & Kashmir (Pahalgam attack) which created further tensions. All the same, Indian economy is expected to lead global economy once again with the IMF projecting it to remain the fastest growing major economy over the next 2 years. As per April 2025 edition of IMF's World Economic Outlook (WEO), Indian economy is expected to grow at 6.2% in 2025 and 6.3% in 2026, maintaining the solid lead over global economy and regional peers. The Indian economy was expected to grow at about 6.5% as per the NSO estimates for the FY 2024-2025 supported by recovery in private consumption and growth in services sector and recovery in agriculture sector. The growth momentum of Indian economy is expected to remain healthy in FY 2026 as well with projected GDP growth of 6.5% to 6.7%. The growth will be supported by improvement in agriculture sector due to healthy Rabi crop prospects and projected normal monsoon this year. Industrial activity is also expected to recover during the year. The services sector will continue to be key driver of economic growth. Among key drivers on demand side, house-hold consumption is expected to remain upbeat aided by tax relief provided in the Union Budget 2025-2026, cooling inflation and anticipated rate cut by RBI. There have been two rate cuts by RBI at the rate of 0.25% each time with aggregate cut of 0.50%. To supplement this, the monetary policy committee announced on 6th June 2025 further rate reduction by 50 bases points thereby taking the aggregate rate reduction to 1 percent so far. A notable feature of monetary policy action this time was change of stance from accommodative to neutral which means that further rate cut may or may not be there depending upon the evolving situation. The overall rate cut of 1 percent will go a long way in supporting growth and bringing about better growth environment. Because of cooling inflation, the RBI may further effect rate cuts during the remaining period of the current fiscal.

As regards real estate and housing market, demand for residential houses is expected to grow, affordable housing being a dominant part. Also, demand for premium properties is growing steadily in urban areas.

The recent rate cuts by RBI and anticipated rate cuts in the remaining part of the current financial year auger well for housing finance companies like yours to improve performance in the area of loan disbursements. With reduction in interest rate, demand for housing loans may increase which may in turn help accelerate disbursements during the year. It will be our endeavour to make use of the opportunities emerging as a result of decline in interest rates for further improvement in lending and disbursements.

3. Business operations and Financial Performance:

Your Directors are pleased to report that in spite of some increase in our borrowing costs, MHFSL was able to show satisfactory performance and business growth during 2024-25.



The total income during the year was ₹64.71 Crores. The company could achieve Profit After Tax of ₹12.37 Crores as against the profit of ₹11.54 Crores in the previous year. The net profit thus increased by ₹83 Lakhs with percentage increase of 7.19%.

Total loan sanctions during the year ended 31st March, 2025 amounted to ₹333.19 Crores. Disbursements of loans during the year amounted to ₹326.20 Crores and outstanding loans stood at ₹527.94 Crores.

Performance during past five years:

We are providing herebelow a bird's eye view of the performance of the company during the period from March 2020 to March 2025 on vital fronts such as total business, gross income, net profit, net worth, CRAR, NIM and net NPAs:

(₹ in Crores)

Particulars	31.03.2020	31.03.2025	Increase/Decrease
Total business	481.31	560.81	79.50
Gross Income earned	56.19	64.71	8.52
Net profit	9.21	12.37	3.16
Net Owned Funds	72.87	124.80	51.92
CAR (%)	23.43	37.97	14.54
NIM (%)	3.80	4.81	1.01
Net NPA (%)	0.89	0	-0.89

The above table succinctly brings out the progress achieved by the Company during the last five year period under the above important parameters.

The report of the Board on Management Discussion and Analysis on Housing Sector and Financial Performance and other matters relating to housing sector are presented elsewhere.

A. Regulatory and Statutory Compliances:

The Company has religiously complied with the directions/guidelines prescribed by NHB and RBI regarding deposit acceptance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring guidelines, concentration of investments, capital market exposure norms and know your customer and anti-money laundering guidelines. All RBI directions contained in RBI Master Direction and supervisory instructions issued by NHB during the year were complied with.

MHFSL has been giving utmost importance to compliances both statutory and regulatory. It has been the avowed policy of the company to scrupulously comply with the directions, guidelines and instructions of National Housing Bank. There is a compliance section headed by an Asst. General Manager, which attends to compliance on an on-going basis and ensures that the prescribed returns are submitted to NHB within the due dates fixed by NHB. MHFSL implemented the RBI guidelines relating to Risk based Internal Audit and reports on the findings of risk based internal audit are placed before the Board in every meeting.

B. Liquidity Coverage Ratio:

MHFSL implemented Liquidity Coverage Ratio (LCR) with effect from December, 2021 in terms of the directions of RBI and started submission of LCR returns. LCR returns are submitted on a weekly basis for every week by Wednesday of the succeeding week. LCR position was satisfactory for all reporting weeks so far with actual LCR being above 200% for most of the reporting weeks. The LCR as on 31st March, 2025 was 346% as against the regulatory requirement of 85%.

The company has also complied with the provisioning norms and fulfilled the provisioning requirements as per the NHB directions. As a measure of prudence, we have made extra provision of ₹10.50 Crores. Outstanding provision as on 31st March, 2025 was ₹16.53 Crores.

The Net Owned Funds of the company as on 31.03.2025 stood at ₹124.80 Crores as against ₹113.06 Crores as on 31.03.2024. There was thus, an increase of ₹11.74 Crores in the Net Owned Funds, the percentage increase being 10.38%. Capital Adequacy Ratio (CRAR) as on 31.03.2025 was 37.97% as against 38.04% a year ago.

C. New Policies/framework :

The following new policies were approved by the Board of Directors for adoption in the Company during 2024-25:

1. Fraud Risk Management Policy
2. Data Protection and Privacy Policy
3. Clear Desk & Clear Screen Policy
4. Policy on treatment of Willful defaulters and Large defaulters

All the existing Board approved policies were reviewed by the Board in the meeting held on 11.06.2024.

D. Core Financial Services Solution (CFSS):

As per the directions of RBI and NHB, we have to implement Core Financial Services Solution (CFSS) on the lines of CBS in Banks on or before 30th September, 2025. The Board has resolved to implement CFSS by adhering to the stipulated time frame. Accordingly, steps have been taken to complete the implementation of CFSS by 30th September, 2025.

E. Resource mobilisation:

During the year, the Company continued its efforts at reducing the funding cost as in earlier years. The company also continued its efforts at diversification of funding with a view to achieving an appropriate maturity structure and minimising the weighted average cost of borrowed funds. The major sources of funding continues to be following:

- 1) **Term Loans:** During the year, the company raised additional Term Loans at reasonably low rates of interest from Banks and Financial Institutions to the extent of ₹108 Crores. The total outstanding Term Loans as on 31.03.2025 stood at ₹332.28 Crores. The Term Loans availed from different Banks have been mostly for long terms of 10 years. This has helped the company in minimising the mis-match as between the maturities of loan assets and liabilities. The accent during the year 2024-2025 continued on getting rates of interest reduced by requesting banks and also by means of follow up with them.

The term loans of the company have been rated by Rating Agencies viz. M/s. Acuite Ratings and Research Agency Ltd. and rating assigned by them is "Acuite A - (Acuite A minus)" for the Bank liabilities.

- 2) **Deposits:** The aggregate amount of deposits of the company as on 31.03.2025 were ₹70.56 Crores as against the figure of ₹59.44 Crores as on 31.03.2024. Major portion of our deposits are Trust Deposits.

The public deposits of the company have been rated by the Rating Agencies viz. M/s. Acuite Ratings and Research Agency Ltd. and the rating assigned by them is "Acuite A".

- 3) **NHB Refinance:** NHB sanctioned fresh refinance limit of ₹5 Crores during the year, but was not utilised by us. Hence, we have decided to apply for fresh refinance limit this year.
- 4) **Matured Deposits:** The total amount of matured deposits as on 31.03.2025 were ₹32.50 Lakhs involving two accounts as against ₹1.70 Lakhs as on 31.03.2024 comprising one account. It has been the constant endeavour of the company to contact the depositors and get the deposits renewed as and when they mature or in case they are not interested in renewing the deposits, to refund the same. It will also be the constant endeavour of the company at all times to reduce the amount of unclaimed deposits by means of follow-up with depositors.

4. Dividend:

The dividend policy of the company which has been consistent has the objective of striking a balance between the dual objectives of rewarding the shareholders to the extent possible and retaining a portion of profits for building up reserves, in order to maintain a healthy capital adequacy ratio to support further growth and credit expansion.

Based on the Company's performance, your Directors are pleased to recommend a dividend of 6.5% (₹0.65paise) per equity share of face value of ₹10/- each for the year ended March 31, 2025. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, wherever applicable, make the payment of the Dividend after deduction of tax at source. The interim dividend of 7% (0.175 paise) per Cumulative Redeemable Preference Shares of ₹10/- each was paid on 02.07.2024, 01.10.2024, 02.01.2025 and 31.03.2025.

The dividend on equity shares subject to approval of Members at the Annual General Meeting scheduled to be held on 12.09.2025 will be paid on or after that date, to the members whose names appear in the Register of Members, as on the date of book closure.

5. Share Capital:

The paid up Share Capital as on 31st March, 2025 was ₹9,77,61,500/-. Further, the Company has not issued any shares and also no shares have been issued with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

6. Dematerialisation of Shares:

Your Company's ISIN Number for extending the shareholders an option of holding their investment in the Company through Demat form is INE03Y801013. The Company has also appointed M/s. NSDL Database Management Limited (NDML) as Share transfer Agents for electronic segment. The Shareholders are advised to approach the Depository Participants (DPs) which is linked to National Securities Depository Limited (NSDL) to convert their shares into Demat form. As on the date of this report, 38,99,197 Equity Shares forming 45.84% of the share capital of the company stand dematerialised.

7. Management of NPAs and Recovery Management:

Management of NPAs is crucial for a financial institution like ours. Hence, the company gives utmost primacy to management of NPAs and recovery of stressed assets and regularisation of irregular loans. The stress is always on building up and maintenance of good quality assets book through constant monitoring and follow-up. The recovery strategy of the company is oriented towards improving recovery of NPAs and recycling of funds for further lending and upgradation of sub-standard loan accounts. It has been the earnest endeavour of the company to reduce NPAs and restrict the percentages of NPAs to lowest rate possible. The details of NPAs as on 31.03.2025 with comparative data as on 31.03.2024 are furnished here below:

Classification	31st March 2025		31st March 2024	
	No. of A/cs	Amount (₹)	No. of A/cs	Amount (₹)
Sub-standard Assets	18	1,61,91,211	22	34,80,630
Doubtful Assets:				
Category 1	22	35,10,030	3	5,43,61,415
Category 2	3	5,50,31,613	1	10,45,010
Category 3	-	-	-	-
Loss Assets	-	-	-	-
Total	43	7,47,32,854	26	5,88,87,055

As could be seen, the net NPA percentage as on 31.03.2025 was 0%. The gross NPA percentage was 1.42% as on 31.03.2025 as against 1.24% as on 31.03.2024. As regards existing NPA accounts, efforts are on to ensure their recovery through various recovery measures. Action under SARFAESI Act is also vigorously pursued to get the NPA accounts closed apart from employing other recovery measures including one-time settlement on the basis of discussion and negotiation with borrowers.

The company has in place a comprehensive board approved collection and recovery policy. The progress made in the recovery of NPAs and overall recovery management strategies are discussed in Audit Committee meetings. It is hoped that with the on-going efforts of field level functionaries and recovery staff at all levels and with vigorous pursuance of various recovery measures, we can accelerate recovery and further reduce NPAs in 2025-26. It is also expected that the staff incentive scheme which is in place will help motivate the staff and spur them on to greater efforts at recovery.

8. Business Plan for 2025-26:

The Board has approved the following business plan for 2025-26:

Particulars	₹ in Crores
Gross Income	71.05
Profit Before Tax	18.97
Profit After Tax	13.50
Housing Loans outstanding	410.00
Jewel Loans/Mortgage Loans Outstanding (Non-Housing loans outstanding)	180.00
Of which:	
a) Mortgage Loans	55.00
b) Jewel Loans	125.00
Disbursements:	
Housing Loans	130.00
Jewel Loans	250.00
Total	380.00

9. Corporate Governance

MHFSL is fully aware of its vital role as a responsible corporate citizen. The Company has been giving utmost importance to Corporate Governance. Maintaining high standards of Corporate Governance has been fundamental to the business of your Company. MHFSL has long term relationship with its valued depositors, lenders and its financiers. The Company has been following principles of transparency and adequacy in all the disclosures through Annual Reports, Financial Results, Company's website and other public documents. MHFSL believes in maximising its shareholders' value following transparency and fairness towards all its stakeholders viz. customers, business partners, investors, staff members, the government and the society. The MHFSL will continue to maintain high standards in corporate ethics, transparent disclosure, accountability and integrity and the Company's policies are key to high standards of corporate governance and will continue to follow all the applicable laws, regulatory guidelines and changes in guidelines, which will come into effect from time to time.

Corporate Governance is based on such principles as conducting business with all integrity and fairness, being transparent with regard to all transactions, making all required disclosures, complying with laws of the land assuming accountability and responsibility towards stakeholders and commitment to conducting business in an ethical manner and implementing checks and balances in order to minimise conflict of interest. Effective Corporate Governance practices constitute the strong foundation on which the organisation is built to last. Strong leadership at the Management and Board level and effective Corporate Governance practices have been the hallmarks of functioning of MHFSL. MHFSL is always keen to demonstrate good corporate citizenship through normative approach, ethical behavior and sound corporate governance practices. Effective corporate governance forms the bedrock of business excellence in any Company. Corporate Governance essentially involves balancing of the interest of stake holders comprising, Shareholders, Promoters, Customers, Financiers and Lenders, Regulators, Government and the Society at large and fulfilling goals and objectives in a manner that adds value to the Company and fetches benefit to all stakeholders. As Corporate Governance provides a frame work for attaining the corporate goals and objectives it encompasses practically every sphere and every aspect of management from initial planning and internal controls to performance review and measurement and corporate disclosures. The disclosures prescribed by NHB are provided separately in this Annual Report. The Corporate Governance Policy adopted as per NHB notification is displayed on the website of the Company. The report of the Board on Corporate Governance is presented elsewhere. Also the Board of Directors have adopted a policy on Fit and Proper Criteria for Directors in terms of NHB notification dt. 9th February, 2017. MHFS Ltd has collected and kept on record Declarations and Undertaking giving additional information from all the Directors in the format prescribed by NHB as on 31.03.2025. Also Deed of Covenants signed by Directors has been obtained in prescribed format as on 31.03.2025.

10. Directors and Key Managerial Personnel :

In accordance with the provisions of Section 152 of the Companies Act, 2013, Smt. Vijayalaxmi N. Pai (DIN: 00101662), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment.

Shri Rama Naik (DIN: 08555036), Nominee Director of Canara Bank, resigned from the Directorship of the Company with effect from 11th June, 2025. The Board, at its meeting held on 11th June, 2025, appointed Shri H. K. Gangadhar (DIN: 11129999), General Manager, Canara Bank, as Nominee Director in his place.

The Board places on record its sincere appreciation for the valuable guidance and contribution made by Shri Rama Naik during his tenure as Nominee Director of the Company.

Mr. Kalsanka Gokuldas Pai (DIN: 09131513) has been serving as a Non-Executive, Non-Independent Director on the Board of the Company. Considering his qualifications, experience, and expertise, and based on the recommendation of the Nomination and Remuneration Committee, the Board proposes to appoint him as an Independent Director of the Company for a term of five (5) consecutive years with effect from 14th August, 2025.

Mr. Kalsanka Gokuldas Pai has consented to act as an Independent Director and has furnished a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Nagesh Anant Shanbhag (DIN: 07157128) had served as an Independent Director of the Company for two consecutive terms of five years each, which concluded on 14th August, 2025. In accordance with Section 149(11) of the Companies Act, 2013, he is not eligible for re-appointment as an Independent Director.

He has, however, expressed his willingness to continue to serve on the Board in a Non-Executive, Non-Independent capacity and to also act as the Chairman of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended his appointment as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation. He has furnished his consent to act as a Director in Form DIR-2 pursuant to Section 152(5) of the Companies Act, 2013, along with the necessary disclosures under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Particulars of Employees:

During the year under review, the Company had no employees whose remuneration exceeded the limit prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Particulars of top ten employees of the Company, in terms of remuneration drawn during the year 2024-25 presented as an Annexure to the Director's Report during the Board meeting is preserved separately and the same will be furnished to any shareholder on request made to the Company in writing.

12. Meetings:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. The Board/Committee Meetings are prescheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting. The Board Meetings are normally held at the Company's Head Office at Manipal House, Manipal. During the year four Board Meetings were convened and held on 11.06.2024, 02.09.2024, 06.12.2024 and 18.03.2025. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Audit Committee constituted by the Board of Directors had its meetings on 11.06.2024, 02.09.2024, 06.12.2024 and 18.03.2025, respectively during the year. The Audit Committee wherever required calls members of Senior Management to be present at the meetings of the Committee. The committee, among other things, deliberated on issues relating to risk management, internal control and inspection, audit of branches, financial performance of the company at quarter ends, cost of borrowing and funding cost, liquidity management, recovery & reduction of NPAs, business planning and steps required to improve net interest margin, financial reporting process and aspects concerning disclosures of financial information to ensure correctness, adequacy and creditability of financial statement, internal financial control system, vigil mechanism, sources and use of funds etc.

13. Board Evaluation:

The Board's evaluation process has been adopted by the Company in terms of the Companies Act, 2013. It applies to all the Directors of the Company. Its main objectives are to ensure effective and efficient Board operations towards corporate goals and objectives, to identify ways to improve Board member's functioning and to assess their skills, knowledge and experience on the Board.

The Board evaluation process involves, evaluation of the whole Board, which is to be done by all the Members of the Board; evaluation of the Committees of the Board, which is to be done by all the Members of the respective Committee; and evaluation of the individual directors.

During the year, the Board has undertaken a formal evaluation of its own performance, apart from the performance of the directors individually as well as the evaluation of the working of various committees appointed by the Board.

14. Declaration by an Independent Director(s) and re-appointment, if any:

The Company has obtained declarations by the Independent Directors stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

15. Nomination & Remuneration Policy:

The Company has a duly constituted Nomination and Remuneration Committee ("NRC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act.

The functions of the Nomination and Remuneration Committee of the Directors include recommending policy to the Board with regard to remuneration to Directors including Executive Director and other Key Managerial Personnel, performance bonus if any to Directors, perquisites, sitting fees, travelling and other travel expenses etc., formulation of criteria for determining qualifications, qualities and positive attributes, and independence of directors etc. The Committee also identifies and recommends suitable candidates for appointment as Directors from time to time. The Committee, consequent on recent reconstitution, now comprises the following Directors:

- | | |
|------------------------------------|---|
| 1. Sri N A Shanbhag – Chairman | 2. Sri T Sunil Pai – Executive Director |
| 3. Sri Raghuveera Shenoy, Director | 4. Sri K Gokuldas Pai, Director |

The Committee also attends to the function relating to review of remuneration policy, changes to be effected in the policy from time to time and other aspects of remuneration to the Directors from time to time.

16. Auditors:

M/s. Shyanbhoga Hegde & Associates, Chartered Accountants, Kundapura (FRN: 011337S) has been appointed as Statutory Auditors of the Company for a period of 3 years at the 38th Annual General Meeting held on 02.09.2024 till the conclusion of the 41st AGM of the Company to be held in the year 2027.

17. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. CS Ramachandra Bhat S, Practising Company Secretary from

Bangalore to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in Form MR-3 forms part of this report as 'Annexure – IV'. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark.

18. Auditor's Report:

The Independent Auditor's Report does not contain any qualification/observations.

19. Internal Financial Control:

The Board of Directors confirm that the Company has well-established internal control systems in place which are commensurate with the nature of its business and size, scale and complexity of its operations. It is the perennial endeavour of the company to maintain adequate internal controls over the financial reporting. Internal controls have been designed to provide reasonable assurance regarding the availability of financial and operational information of the Company and the reliability of financial reporting and preparation of financial statements in accordance with accounting principles generally accepted in India. The Company has internal control system commensurate with the size and nature of the business. The Company engages M/s. N P Pai & Co., Chartered Accountants, Udipi, (Firm Registration No.115271W/Membership No. 039351) as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and acted upon and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations. The Board has adopted risk based internal audit policy (RBIA Policy) last year. A comprehensive Risk based Internal Audit Policy has been put in place. Risk based Internal Audit Division has been set up with a team of three officers, headed by an Asst. General Manager. Risk based Internal Audit Report of every quarter was placed before the Board during the year. Credit Audit with particular emphasis on loan documentation is conducted by an experienced retired Bank Officer who conducts credit audit and vetting of loan documents on an ongoing basis.

20. Risk Management and Asset Liability Management System:

Risk Management is at the core of our business and ensuring the right risk-return trade-off in keeping with our risk appetite is the essence of our risk management. The Company has a robust Risk Management framework which proactively addresses risks while looking to optimize the returns that go with that risk. The Board of Directors of the Company have formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. MHFSL has adopted a Risk governance framework on the basis of NHB guidelines. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Board has approved Risk Management Policy of the Company. The Committee oversees and reviews various aspects of risk management and reviews the major risk exposures of the Company. It assists the Board in determining the nature and extent of the significant risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

The Company has put in place a Board approved asset liability management system on the basis of the guidelines issued by NHB. Since the operations of our company being a housing finance company may give rise to Asset Liability mismatches and interest rate risk exposures, it was found necessary to introduce a comprehensive system as part of our overall system for effective risk management both on liabilities and asset sides. The Risk Management Committee that meets periodically also deliberates on risk mitigation measures to be adopted by the Company.

The NHB guidelines relating to Asset Liability Management System and risk management are strictly complied with. An ALM support group has also been formed. The Asset Liability Management Committee (ALCO) meets every quarter to monitor as well as to deliberate on liquidity risk, interest rate risk, earnings risk, pricing both in respect of deposits and loans, maturity profiles of incremental assets and liabilities, cash flow, issues relating to profit planning and other aspects of balance sheet management. ALCO reviews position with reference to tolerance limits fixed by the Board at half year ends before submitting the prescribed Asset Liability Management Return to the NHB. The position is also reviewed by Audit Committee of the Board from time to time.

During the year ALCO met on 29.06.2024, 30.09.2024, 31.12.2024 and 31.03.2025 to deliberate on issues of the nature mentioned above and also to discuss interest rates on deposits and housing loans, moratorium on EMI payments by borrowers, moratorium on our term loans repayment and interest by lender banks, liquidity position etc. The ALCO examines interest rate scenario from time to time and makes its recommendations regarding changes in interest rates to be made if any to the Management for achieving optimum risk-return trade off. It is constant endeavour of the Company to strengthen risk management system and asset liability management system.

A sound and robust MIS is in place covering all aspects of ALM, besides cost of funds, NIM, return on Assets, individual borrowal accounts, data relating to irregular accounts, Non-performing accounts etc. which is crucial for effective management of risks of diverse types.

21. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of annual return in MGT-7 is available on the Company's website www.manipalhousing.com. As per provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual return for financial year 2024-25 is placed on website of the company i.e. www.manipalhousing.com

22. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report and changes in nature of business, if any:

There are no such material changes to be reported in this regard and there are no change in nature of business.

23. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

Your Directors wish to state that there have been no significant or material orders that were passed by the Regulators or Courts or Tribunals which may impact the going concern status and operations of the Company in future.

24. Corporate Social Responsibility:

MHFSL's CSR programme seeks to make a positive impact on the communities at and around the operational areas of branches. Through this participation, the Company seeks to focus on activities that can contribute meaningfully to the wellbeing of the communities around. The focus areas decided upon by the Board as recommended by the CSR Committee are education, health care and skill development.

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility Committee, that had the following Directors as its members during the year 2024-25:

Sri N A Shanbhag	– Chairman
Sri T Sunil Pai	– Executive Director
Sri Rama Naik	– Nominee Director
Sri Raghuvveera Shenoy	– Director
Smt. Vijayalaxmi N Pai	– Director
Sri K Gokuldas Pai	– Director

The Committee meets every quarter for discussing the CSR initiatives and CSR efforts of the company. The CSR Committee met on 11.06.2024, 02.09.2024, 06.12.2024 and 18.03.2025 and deliberated on plans and projects relating to CSR. An amount of ₹33,90,000/- has been earmarked for CSR spending as against ₹31,81,241/- allocated for CSR spending in the previous year.

To ensure quality education for the poor children, the Company has been supporting the purchase of uniforms, books, sports materials, funding of maintenance of premises of organisations like Hastha Shilpa under CSR programme and also construction of school building etc. In this regard, the Company has spent an amount of ₹34,00,000/- towards different Schools/Educational Institutions as a part of CSR spending. Annual Report on CSR activities is annexed as Annexure I to this report.

25. Deposits:

The details relating to deposits, covered under Chapter V of the Act -

(a) Accepted during the year (including renewals)	: ₹26,82,11,475/-
(b) Remained unpaid or unclaimed as at the end of the year	: ₹32,50,000/-
(c) The details of deposits which are not in compliance with the requirements of Chapter V of the Act	: Nil

The Company has paid interest on all the outstanding deposits on due dates. There has been no default on repayment of deposits or payment of interest thereon during the year. The Company has maintained required statutory liquidity ratio (SLR) as per the NHB regulations.

26. Particulars of loans, guarantees or investments under Section 186:

Details of Loans: Not applicable to Housing Finance Companies since same are given in the ordinary course of business.

Details of Guarantee / Security Provided: :Not applicable to Housing Finance Companies. However no such guarantee or security was provided.

Investments made are of the nature quoted equity shares and Government Bonds. Particulars of such investments are provided in the financial statements vide note Nos.10.01 to10.03.

27. Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended March 31, 2025:

- Number of complaints of sexual harassment received: Nil
- Number of complaints disposed of during the year: Nil
- Number of complaints pending for more than 90 days: Nil

The Company remains committed to providing a safe and respectful work environment for all its employees.

28. Compliance with the Maternity Benefit Act, 1961

The Company has duly complied with the provisions of the Maternity Benefit Act, 1961, including those relating to maternity leave, nursing breaks, and related benefits for eligible women employees. Awareness sessions and policy guidelines have been communicated across the organization.

29. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

There is no information to disclose under the head 'Conservation of Energy and Technology Absorption' given in the above rules since the Company is engaged in providing housing loans. However, the Company understands the importance of energy conservation for the environment and is covered under Environment, Social and Governance (ESG) section. There were no foreign exchange earnings and the Company or outgoings during the year under report.

30. Directors' Responsibility Statement:

Your Directors hereby report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, that –

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors 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) The directors 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) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. Transfer of Amounts to Investor Education and Protection Fund:

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM (i.e. 02.09.2024), with the Ministry of Corporate Affairs. Information in respect of unclaimed dividend when due for transfer to the Investor Education Protection Fund is given below:

Financial Year ended	Date of Declaration of Dividend	LastDate for claiming unpaid dividend	Due date for transfer to IEP Fund
31.03.2018	16.08.2018	16.08.2025	16.09.2025
31.03.2019	21.08.2019	21.08.2026	21.09.2026
31.03.2020	04.03.2020	04.03.2027	04.04.2027
31.03.2021	29.09.2021	28.09.2028	28.10.2028
31.03.2022	12.09.2022	12.09.2029	12.10.2029
31.03.2023	20.09.2023	20.09.2030	20.10.2030
31.03.2024	02.09.2024	02.09.2031	02.10.2031

32. Related party Transaction :

The policy of the Company on dealing with related party transactions stands displayed on the website of the Company www.manipalhousing.com. All related party transactions that were entered into were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 ("the Act"). There were no materially significant Related Party Transactions made by the Company during the year that would have required shareholders approval under the provisions of the Act. Details of the transactions with related parties are provided in the Note No.24.04 of accompanying financial statements. Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith marked as Annexure II.

33. Details of Fraud Report by Auditor:

As per auditors' report, no fraud u/s 143(12) is reported.

34. Secretarial Standards :

Secretarial Standards Pursuant to Section 118 of Companies Act, 2013, The Company has complied with all the provisions of applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

That is as follows: 1) Secretarial Standards – I for Board Meeting.
2) Secretarial Standards – II for General Meeting.

35. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

36. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

There was no instance of onetime settlement with any Bank or Financial Institution.

37. Whistle Blower Policy :

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company has formulated a whistle blower policy/vigil mechanism for Directors and employees to report any concerns at any point of time. It protects employees wishing to raise concern about serious irregularities if any within the Company. The Audit Committee oversees the vigil mechanism and employees have access to the Audit Committee. The policy stands uploaded on the website of the Company www.manipalhousing.com.

38. Acknowledgements:

The Directors place on record their gratitude for the support of various regulatory authorities including the National Housing Bank, Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, and the depositories.

The Company acknowledges the role of all its key stakeholders - shareholders, borrowers, depositors, and lenders for their continued support.

Finally, the Directors express their appreciation for the dedication and commitment with which the employees of the Company at all levels have worked during the period.

For and on behalf of the Board of Directors

Sd/-
(N A SHANBHAG)
Chairman
DIN : 07157128

Place : Manipal
Date : 14.08.25

Annexure I

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

The Corporate Social Responsibility (CSR) Committee is charged with the responsibility of identifying specific CSR projects/activities for funding under the CSR programme. The CSR Committee and the Board have adopted education, healthcare and skill development as areas of focus in the matter of CSR spending.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1.	N A Shanbhag	Chairman/Independent Director	4	4
2.	T Sunil Pai	Executive Director	4	4
3.	Raghuveera Shenoy	Independent Director	4	4
4.	Rama Naik	Nominee Director	4	4
5.	K Gokuldas Pai	Additional Director	4	4
6.	Vijayalaxmi N Pai	Director	4	2

3. 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 : www.manipalhousing.com/Policies & Codes/CSR committee and spending

4. 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 Policy) Rules, 2014, if applicable (attach the report) : N.A.

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

6. Average net profit of the company as per Section 135(5) : ₹16,95,17,294/-

7. (a) Two percent of average net profit of the company as per Section 135(5) : ₹33,90,346/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(c) Amount required to be set off for the financial year : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹33,90,346/-

8. (a) CSR amount spent or unspent for the financial year : ₹34,00,000/-

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
34,00,000/-	NA		NA		

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

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

(d) Amount spent in Administrative Overheads : Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Nil

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount in ₹
1	Two percentage of average net profit of the company as per Section 135(5)	-
2	Total amount spent for the financial year	-
3	Excess amount spent for the financial year (ii) - (i)	-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5	Amount available for set off in succeeding financial years (iii) - (iv)	-

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

Sl. No.	Preceding financial year	Amount transferred to CSR account under Section 135(6) (in ₹)	Amount spent in the reporting financial year (in ₹)	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 ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	2021-22	Nil	25,25,000		Nil		-
2	2022-23	Nil	30,09,484		Nil		-
3	2023-24	Nil	32,00,000		Nil		-
	Total						

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

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

: **Nil**

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

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

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

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

11. Specify the reason(s), if the company has failed to spend

two per cent of the average net profit as per Section 135(5) : **NA**

Sd/-
T Sunil Pai
(Executive Director)
DIN: 00101564

Sd/-
N A Shanbhag
(Chairman, CSR Committee)
DIN: 07157128

Annexure – II FORM NO. AOC – 2

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

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

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

The Company has not entered into any contracts or arrangements or transactions with its related parties which are not at arm's length basis during the financial year ended 31st March, 2025.

2. Details of material contracts or arrangements or transactions at arm's length basis:

The Company has not entered into any material contracts or arrangements or transactions with related parties at arm's length basis as covered under the third proviso to Section 188(1) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 during the financial year ended 31st March, 2025.

Sd/-
N A Shanbhag
(Chairman)
DIN: 07157128

Annexure - III

Report of the Board on Corporate Governance

MHFSL is committed to maintaining the highest levels of integrity, corporate governance and regulatory compliance. These parameters form the bedrock of our corporate governance policy. We have proactively adopted good governance practices and are constantly striving to enhance our standards. Our Board of Directors are responsible for setting the course for and evaluating the Company's performance about the corporate governance. The parameters of evaluation include compliance, internal control, risk management, information and cyber security, customer service and social and environmental responsibility.

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At MHFSL, good corporate governance is a way of life and the way we do our business, encompassing all day to day activities and is enshrined as a part of our way of working.

The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances.

Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future.

For your Company, good corporate governance is a synonym for sound management, transparency and adequate disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions.

As a Company with a strong sense of values and commitment, MHFSL believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of the Company's business philosophy. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

MHFSL believes in adopting and adhering to the best recognized corporate governance practices and is continually benchmarking itself against each such best practice. MHFSL understands and respects its role and responsibility towards its shareholders and strives hard to meet their expectations. MHFSL believes that best board practices, transparent disclosures, adherence to professional ethics at work place and shareholder empowerment are necessary for creating shareholder value. MHFSL has infused the philosophy of corporate governance into all its activities. The philosophy on corporate governance is an important tool for shareholder protection and maximisation of long term values for them. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability, etc. serve as the means for implementing the philosophy of corporate governance in letter and in spirit. The major pillars of Corporate governance at MHFSL are the following:

1. To fully conform to the spirit of Law in our activities, functions and operations.
2. To be transparent and to maintain high degree of disclosure levels
3. To have simple and effective corporate structure strictly driven by customers requirements and expectations.
4. Strict compliance with the statutory and regulatory requirements prescribed by NHB and RBI.
5. Concerted and constant effort at promotion of professional ethics at work place.

The Board and Board appointed Committees aim at implementing best practices of Corporate Governance in full conformity with the letter and spirit of the laws of the land, rules, directions and guidelines of NHB and RBI. It is the constant endeavour of the Board to build up long term relationship with all stakeholders, such as promoters, shareholders, borrowers, depositors and lenders.

A. Board of Directors:

Composition: The Board comprises six Directors. Out of them one is Whole-time/Executive Director and others are non-executive Directors. One Director is Nominee Director of Canara Bank, being a promoter. There are two independent directors.

Names of Directors:

1.	Sri T Sunil Pai	Executive Director/Whole-time Director
2.	Sri N A Shanbhag	Chairman/Independent Director
3.	Smt Vijayalaxmi N Pai	Non-Executive Director
4.	Sri Raghuveera Shenoy	Non-Executive Independent Director
5.	Sri K Gokuldas Pai	Non-Executive Director
6.	Sri Rama Naik	Nominee Director

B. Committees of the Board and other Committees:

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Company. These Committees monitor the activities as per the scope defined in their Charter and terms of reference.

The Board has delegated powers to various Committees. Each of the Board's Committees has been delegated with specific responsibilities/matters as per the provisions of the Companies Act, 2013. The minutes of every Committee meeting are finalised and recorded in the minute book.

**Board Level Committees:**

Sl. No.	Name of the Committee	Directors/Members	No. of meetings held in 2024-25
1.	Audit Committee	Sri N A Shanbhag Sri Raghuvveera Shenoy Smt. Vijayalaxmi N Pai Sri Rama Naik Sri K Gokuldas Pai	4
2.	Nomination and Remuneration Committee	Sri N.A Shanbhag Sri T Sunil Pai Sri Raghuvveera Shenoy Sri K Gokuldas Pai	2
3.	Corporate Social Responsibility Committee	Sri N A Shanbhag Sri T Sunil Pai Sri Raghuvveera Shenoy Sri Rama Naik Sri K Gokuldas Pai	4
4.	Working/Loan Sanction Committee	Sri T Sunil Pai Smt. Vijayalaxmi N Pai Sri N.A Shanbhag Sri Raghuvveera Shenoy	15
5.	Review Committee for Willful Defaulters	Sri T Sunil Pai Sri N.A Shanbhag Sri K Gokuldas Pai Sri Raghuvveera Shenoy	4

Other Internal Committees:

1.	ALM Committee	Internal Committee	4
2.	Risk Management Committee	Internal Committee	4
3.	Customer Service and Grievances Redressal Committee	Internal Committee	4
4.	Internal Complaints Committee on Sexual harassment of women employees at work place	Internal Committee	4
5.	IT Strategy committee	Internal Committee	2
6.	Identification Committee for Willful Defaulters	Internal Committee *	4

* As permitted by Regulator vide letter No.8255/2016-17 dt. 5.9.2016

The Board/Committee Meetings are convened by giving appropriate notice well in advance of the meetings. The Directors/Members are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management in this regard.

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of the Company. It also enables them to give their feedback and suggestions on various aspects of functioning of the Company. The Company has 4920 shareholders.

The Annual Report is the main channel of communication with the shareholders. The Annual General Meeting also provides a forum for communication and interaction with members.

Board Meetings: Board Meetings are normally held at Head Office at Manipal House, Manipal. The detailed Board agenda is circulated to the directors well in advance. The members of the Board can also recommend inclusion of any relevant matter in the agenda for discussion. The senior management attends the Board meetings to provide additional inputs to the items being discussed by the Board wherever required. The minutes of each Board meeting are finalised and recorded in the minute book of the Company.

Four meetings were held in 2024-25. The details of attendance and participation by Directors in the Board meetings held in 2024-25 are furnished herebelow:

Sl. No.	Director's Name	No. of meetings attended
1.	Sri T Sunil Pai	4
2.	Sri N A Shanbhag	4
3.	Sri K Gokuldas Pai	4
4.	Smt. Vijayalaxmi N Pai	2
5.	Sri Rama Naik	4
6.	Sri Raghuvveera Shenoy	4

All the Directors have submitted declaration and undertaking in the format prescribed by NHB and executed Deed of Covenant in the format prescribed by NHB as on 31.03.2025.

FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2025

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

To,
The Members,
Manipal Housing Finance Syndicate Limited,
Manipal House,
MANIPAL – 576104

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MANIPAL HOUSING FINANCE SYNDICATE LIMITED (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the MANIPAL HOUSING FINANCE SYNDICATE LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by MANIPAL HOUSING FINANCE SYNDICATE LIMITED for the financial year ended on 31/03/2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) As the company does not have Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, the audit under Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder is not required.
- (v) The Laws, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company as the company is an unlisted public company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) As the company is an unlisted public company, the provisions of Listing Agreement and the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, are not applicable.

A. Regulatory and Statutory Compliances:

The Company has complied with the Housing Finance Companies (NHB) Directions, 2010 and other directions/guidelines prescribed by NHB regarding deposit acceptance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, capital market exposure norms, know your customer and anti-money laundering.

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

We further state that, during the period under review and based on our verification of the records maintained by the Company and also on review of compliance reports/statements by the respective department heads taken on record by the Board of Directors of the company, in our opinion, adequate systems and processes and control mechanism commensurate to the size and nature of the company's business, exist in the company to monitor and ensure compliances with applicable laws, industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

Further, it is to state that we have verified the records on the basis of soft copies provided electronically by the company and randomly verified/scrutinized the records physically.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The composition of the Board is furnished in the Annexure attached herewith.

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

Majority decisions are carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

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

I further report that during the audit period the company:

- 1) Has maintained books of accounts as required under Section 128 of the Companies Act, 2013.
- 2) Has Complied with all the provisions of the Companies Act, 2013 relating to Statutory Audit/Internal Audit.
- 3) Request for transfer or transmission of shares have been received and dealt with in accordance with Section 56 of the Companies Act, 2013.
- 4) Statutory Registers were kept open for public inspection during working hours on all working days.
- 5) Notice of Board meetings were duly sent to all the directors.



- 6) Circular Resolutions (7 No'S) were passed by the company during the year under review.
- 7) Notice of annual general meeting has been duly sent to all the members to their registered email address and physical copies provided to those members, who have made specific request in this behalf.
- 8) Minutes of the Board and general meetings were entered in the minute books within thirty days from the day of the meeting.
- 9) The share certificates were properly stamped.
- 10) The entries in the statutory registers were made within the prescribed time.
- 11) The Company has not done any alteration to the Memorandum and Articles of Association of the company during the year under review. The company has Objects Clauses in Memorandum of Association which are in compliance with the Guidelines issued by NHB from time to time.
- 12) Has provided to all relevant information and has given access to all data and records.
- 13) There is no pending litigation and claims other than reported in the balance sheet by way of contingent liability.
- 14) No event other than reported specifically has occurred during the year which has a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc referred to above.
- 15) The views of all the dissenting Directors (if any) on important matters have been captured and recorded in the minute.
- 16) The venue and time of Board meeting was finalised with the consultation of all board members.
- 17) Has maintained its website and all statutory information have been uploaded from time to time.
- 18) The company has spent complete CSR amount pertaining to the financial year 2024-2025 amounting to ₹34,00,000/- vis-à-vis CSR liability of ₹33,90,346/- on social welfare activities covered under Schedule VII of the Act and thereby complied with the provisions of Section 135 of the companies act 2013 and Companies (CSR Policy) Rules, 2014.

Securities Laws:

1. As the company is an unlisted public company, the provisions of Listing Agreement and the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015) are not applicable to the company.
2. There were no Investors complaints received by the company during the year.
3. None of the investor complaints are pending.

Labour Laws:

1. All the premises and establishments have been registered with the appropriate authorities.
2. The company has not employed any child labour/Bonded labour in any of its establishments.
3. The Company is ensuring the compliance of PF/ESI and other social security measures to the contract employees. One of the responsible officers of the Company carries out the survey regarding the compliance of this.

Environmental Laws:

1. The Company is not discharging the contaminated water at the public drains/rivers.

Place : Bangalore	Signature : Sd/-
Date : 11.06.2025/24.06.2025	Name of Company :
	Secretary in Practice : Ramachandra Bhat S
	ACS/FCS No. : 4441
	C P No. : 5421
	UDIN : F004441G000650218
	The Peer Review Certificate No. : 1345/2021

'ANNEXURE A'

To,
The Members,
Manipal Housing Finance Syndicate Limited
REGD. OFFICE: "MANIPAL HOUSE"
MANIPAL – 576 104 (Udupi Dist.)

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 11.06.2025/24.06.2025
Place : Bangalore

Sd/-
Ramachandra Bhat S
Company Secretary
FCS No.:4441
C P No.:5421

UDIN : F004441G000650218
The Peer Review Certificate No.: 1345/2021

**ANNEXURE**

MANIPAL HOUSING FINANCE SYNDICATE LIMITED LIST OF DIRECTORS AS ON THE DATE OF THIS REPORT (11.06.2025)						
Sl. No.	DIN	Name	Address	Designation	Date of Appointment	Nature of Appointment
1	00101564	Thonse Pai Sunil	16-125, Anantha Nagar, Manipal, Karnataka – 576104, India	Executive Director	15.12.2009	Wholetime Director
2	00101662	Vijayalaxmi Pai Narayan	16-125 Anantha Nagar, Manipal, Karnataka – 576 104, India	Director	18.03.2005	Women Director/ Non-Executive
3	07157128	Nagesh Anant Shanbhag	# 304 Sovereign, Park 56/58, K R Road, Opp. Police Station Basavanagudi, Bangalore South, Bangalore, Karnataka – 560 004, India	Director	30.03.2015	Independent Director
4	09131513	Kalsanka Gokuldas Pai	Flat No. 309 B Wing, Blueberry Woods, Manipal, Udupi District Karnataka – 576 104, India	Director	05.03.2021	Non-Executive Director
5	08555036	Rama Naik	No.16-361, Quarters No. 130, Behind Canara Bank, HO Annex, Tile Factory Road, Manipal – 576 104	Director	21.12.2020	Nominee Director/ Canara Bank Cessation w.e.f. 11.06.2025
6	010400983	Raghuveera Shenoy	1-94 Shenoy Building, Main Road, Kaup Padu, Udupi Tq. & Dist. 574 106, Main Road, Kaup Padu Udupi Tq. And Dist.- 574 106	Director	14.12.2023	Independent Director
7	011129999	H K Gangadhar	No.16-362, Street No. 641, 2nd Main, Quarters No. 126b 3:B3, Ward No. 17, Manipal – 576 104	Nominee Director	11.06.2025	Nominee Director, Canara Bank, Appointed w.e.f. 11.06.2025



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANIPAL HOUSING FINANCE SYNDICATE LIMITED

I. Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **Manipal Housing Finance Syndicate Limited** ("the Company"), which comprises the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss, the Cash Flow Statement for the year ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the *Companies Act, 2013* ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the *Companies (Accounting Standards) Rules, 2021*, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the **profit** and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified 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 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

3. Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were to be addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 is not applicable to the Company as it is an unlisted company.

4. Other Information – Board of Directors' Report

A. The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises Directors' Report and the Annexures to Directors' Report and Disclosures required under '*Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016*' issued by the National Housing Bank and '*Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021*' issued by the Reserve Bank of India and various information required under section 134(3) of the *Companies Act, 2013* but does not include the financial statements and our auditor's report thereon. The above stated information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the abovementioned reports of the Board and we do not express any form of assurance conclusion thereon.

B. In connection with our audit of the financial statements, our responsibility is to read the reports of the Board and other information identified above when it becomes available and in doing so, consider whether the reports and other information of the Board are materially inconsistent with the financial statements, or our knowledge obtained during the course of the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this Board Report including Director's report and the Annexures to Directors' Report and Disclosures required under '*Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016*' issued by the National Housing Bank and '*Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021*' issued by the Reserve Bank of India, we are required to communicate the fact to those Charged with Governance.

5. Management's Responsibility for the Financial Statements

A. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cashflows 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 Rule 7 of the *Companies (Accounts) Rules, 2014*. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

6. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion (wherever applicable) on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in the aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work, and (ii) evaluating the effect of any identified misstatements in the Financial Statements.
- D. 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.
- E. 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.

II. Report on Other Legal and Regulatory Requirements

1. As required by the *Companies (Auditor's Report) Order, 2020* ("the Order"), issued by the Central Government of India in terms of sub- Section (11) of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the Para 69 of Chapter XII of 'Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021' ("the Directions"), issued by the Reserve Bank of India, we give in the 'Annexure B' a report on the matters specified in Paragraph 70 and Paragraph 71 of the Directions, to the extent applicable.
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2 (vi) (vii) below on reporting under Rule 11(g) of the *Companies (Audit and Auditors) Rules, 2014*.
 - C. The Balance Sheet, and the Statement of Profit and Loss dealt with by this Report are in agreement with the relevant books of account.
 - D. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with the *Companies (Accounting Standards) Rules, 2021*.
 - E. On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act.
 - F. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph II (a) (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2 (vi) below on reporting under Rule 11(g) of the *Companies (Audit and Auditors) Rules, 2014*.
 - G. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in 'Annexure C'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
4. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the *Companies (Audit and Auditors) Rules, 2014* as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations if any on its financial position in its Financial Statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.
 - iv) a. The management has represented that, to the best of its knowledge and belief, 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 or entity, 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 person or entity identified in any manner whatsoever by or 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, to the best of its knowledge and belief, no funds have been received by the company from any person or entity 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 person or entity identified in any manner whatsoever by or 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 such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that representations under sub-clause (a) and (b) contain any material misstatement.
 - v) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
 - vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Shyanbhoga Hegde & Associates
Chartered Accountants
Firm Registration No. 011337S

Sd/-
CA Krishna Raya Shyanbhoga
Partner
M. No. 200410
UDIN: 25200410BMKUSA7183

Place : Kundapura
Date : 11.06.2025

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Manipal Housing Finance Syndicate Limited of even date)

Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 in terms of sub-section (11) of Section 143 of the Companies Act, 2013.

In our opinion and in terms of the information and explanations sought by us and given by and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report as below:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment. However, the Company does not have any intangible assets.
- (b) The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, we have been informed that no physical verification has been carried on by the management during the year. Accordingly, we are unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the financial statements.
- (c) According to the information and explanations given to us and the records examined by us, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except for the below:

Description of property	Gross carrying Value	Held in the name of	Whether promoter, director or relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Land (Freehold)	91.15 lakhs	Mr. Ganapathy Bhat	No	From March 2008	As disclosed by management vide Note No. 9.01

- (d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) In our opinion, according to the information and explanations given to us and the records examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3(i)(e) of the Order is not applicable.
- ii. (a) The Company does not have any inventory as at the end of the year. Hence, paragraph 3(ii)(a) of the order is not applicable.
- (b) During the year the company has been sanctioned working capital limits in excess of five crore rupees from banks based on security of loans and lien on bank deposits. Based on examination of the records of the Company, the quarterly returns or statements filed by the company with the said banks agree with the books of account maintained by the Company.
- iii. (a) The Company’s principal business is to give loans. Accordingly, paragraph 3(iii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company’s interest.
- (c) The Company, in pursuance of its compliance with provisions of the RBI Act/Rules/Directions, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 11 to the Financial Statements for summarized details of such loans and advances which are not repaid by borrowers as per stipulation. According to the information and explanation made available to us, reasonable steps have been taken by the Company for recovery thereof.
- (d) The Company, in pursuance of its compliance with provisions of the RBI Act/Rules/Directions, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than ninety days in respect of loans given. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company, in the course of its periodic regulatory reporting.
- (e) The Company’s principal business is to give loans. Accordingly, paragraph 3(iii)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans, without specifying any terms or period of repayment.
- iv. In our opinion and according to information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act in respect of loans granted and investments made. The Company has not issued any guarantee or provided any security to any other person.
- v. Based on our examination of information and explanations given to us, we opine that the Company has complied with the ‘Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021’ issued by Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014. The public deposit (including amounts which are deemed to be deposits) accepted by the Company are governed by the directives issued by the Reserve Bank of India vide Notifications issued from time to time. We have been informed by the management that there are no orders by Company Law Board or National Company Law Tribunal (NCLT) or National Housing Bank (NHB) or Reserve Bank of India (RBI) or any Court or any other tribunal, in respect of Deposits.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-Section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3(vi) of the order is not applicable.
- vii. In our opinion and according to the information and explanations given to us:
 - (a) Amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities
 - (b) There are no statutory dues referred to in sub-clause (a), which have not been deposited on account of dispute.
- viii. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3(viii) of the Order is not applicable.



- ix. (a) Based on information, explanation and examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
- (e) The Company does not have any subsidiaries/associates/joint-ventures and accordingly, paragraphs 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiaries/associates/joint-ventures and accordingly, paragraphs 3(ix)(f) of the Order is not applicable.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- xi. (a) Based on examination of the books of account and records of the Company and according to the information and explanations provided to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or, on the Company has been noticed or reported during the audit. Accordingly, paragraph 3(xi)(a) of the Order is not applicable
- (b) We have not come across any frauds by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Hence, paragraph 3(xi)(b) of the Order is not applicable.
- (c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints, have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and accordingly, Paragraphs 3(xii) of the Order is not applicable.
- xiii. In our opinion, based on the information and explanations given to us and the records examined by us, the transactions with the related parties are in compliance with Section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) Based on our audit procedures, information and explanations provided to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered for the purpose of our statutory audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. (a) The company is a Housing Finance Company and has obtained registration to carry on the business of a Housing Finance Institution from National Housing Bank under section 29A of the *National Housing Bank Act, 1987*. The company is specifically exempt from obtaining registration under section 45-IA of the *Reserve Bank of India Act, 1934*.
- (b) The company is a Housing Finance Company and has conducted housing finance activities. Accordingly, it has obtained registration from National Housing Bank under Section 29A of the *National Housing Bank Act, 1987*. Such companies are specifically exempt from obtaining registration under section 45-IA of the *Reserve Bank of India Act, 1934*.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi) (c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Group does not have any Core-Investment Company as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- xix. In our opinion and 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, we have not observed the cases where material uncertainty existing 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) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified in Schedule VII to the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no amount remaining unspent under sub-Section (5) of Section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-Section (6) of Section 135 of the said Act.
- xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/associates or joint venture companies. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For **Shyanbhoga Hegde & Associates**
Chartered Accountants
Firm Registration No. 011337S

Sd/-
CA Krishna Raya Shyanbhoga
Partner
M. No. 200410
UDIN: 25200410BMKUSA7183

Place : Kundapura
Date : 11.06.2025

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 of my report of even date under the Heading “Report on other Legal and Regulatory Requirements”)

Report on the matters as required by Para 69 of Chapter XII the ‘Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021’ (“the Directions”), issued by the Reserve Bank of India

- 1.1 We hereby state that the company has been registered with National Housing Bank (NHB) vide Certificate of Registration No. 01.0026.02 dated 7th May 2002. Also, the Company has complied with the conditions for Principal Business Criteria under Paragraph 4.1.17 of the directions.
- 1.2 Based on our examination of records and ratios, we state that the company has complied with the prescribed limits of Net Owned Funds as per Section 29A of the National Housing Bank Act, 1987.
- 1.3 Based on verification, we report that the company has complied with section 29C of the National Housing Bank Act, 1987.
- 1.4 According to the verification of books of account, the total borrowings of the company are within the limits prescribed under Paragraph 27.2 of the directions.
- 1.5 According to the information given to us by the company and based on our examination of records, the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the directions.
- 1.6 According to the records presented by the company, the capital adequacy ratio as disclosed in the half-yearly statutory returns submitted to the National Housing Bank (NHB) as per the directions issued in this regard has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein.
- 1.7 According to the information given to us by the Company and based on our examination, the Company has submitted the half-yearly statutory returns within the stipulated period as specified in the directions issued by National Housing Bank (NHB).
- 1.8 According to the information given to us by the company and based on verification of records, as specified in the Clause VII above, the Company has furnished to the National Housing Bank (NHB) within the period granted the quarterly statutory return on Statutory Liquid Assets as specified in the directions issued by National Housing Bank (NHB).
- 1.9 According to the information and explanations given to us, during the year the company has not opened any Branch. However, the Company has closed one of its branches during the year. i.e. Car Street Branch, Mangalore with effect from 1st July 2024. Accordingly, the Company has vide Letter Ref: MHFSL:NHB:HO:KKA:TSP:2024 dated 3rd April 2024, has informed National Housing Bank (NHB) about the closure of the branch.
- 1.10 According to the information and explanations given to us, the housing finance company has complied with the provisions contained in Paragraph 3.1.4 and Paragraph 18 of the directions. However, the HFC has not provided any loans against security of shares as contained in Paragraph 3.1.3.
- 1.11 As per our verification, the Board of Directors of the housing finance company has not passed a resolution for non-acceptance of any public deposit.
- 1.12 The Housing Finance Company has accepted Public Deposits during the relevant year.
- 2.1 Based on our examination of records and as per the information obtained by us, the deposits accepted by the company together with other borrowings indicated below are within the limits admissible to the company as per the provisions the directions.
 - a. from public by issue of unsecured non-convertible debentures/bonds: ₹NIL.
 - b. from its shareholders – ₹146.01 Lakhs
 - c. which are not excluded from the definition of ‘public deposit’ in the Directions: ₹6,878.26 Lakhs.
- 2.2 The deposits held by the company are within limits specified under the provisions of the Directions.
- 2.3 As per the requirements of the National Housing Bank (NHB) has obtained a valid investment grade credit rating from an approved credit rating agency for the purpose of accepting/holding public deposits.
- 2.4 With reference to the clause (2.3) above,
 1. The Company has obtained investment grade credit rating for its deposits from an agency namely M/s Acuité Ratings & Research Limited, which is an approved rating agency as per the Direction. The aforesaid rating agency has assigned the rating of “ACUITÉ A” for the deposits of the Company, vide their letter dated 31st January, 2025.
 2. The Credit rating as mentioned above was given for acceptance of deposits up to ₹8,000.00 Lakhs. The aggregate amount of deposits outstanding at any time during the year has not exceeded the aforesaid specified limit of ₹8,000 Lakhs.
- 2.5 According to the information and explanations given to us and based on our examination of the books of account, the company has not defaulted in paying to its depositors the interest and/or principal amount of the deposits after such interest and/or principal became due during the year ended 31.03.2025.
- 2.6 According to the information and explanations given to us and based on our examination of the records, the Company has complied with the liquid assets requirement as prescribed by the National Housing Bank (NHB) in exercise of powers under section 29B of the National Housing Bank Act, 1987 and the requirements as specified in paragraphs 40 and 42 of the Directions.
- 2.7 Based on our verification, we opine that the housing finance company has not violated any provisions contained under restriction on acceptance of public deposits, period of public deposits, Joint public deposit, particulars to be specified in application form soliciting public deposits, ceiling on the rate of interest and brokerage and interest on overdue public deposits, renewal of public deposits before maturity as provided the directions.

For Shyanbhoga Hegde & Associates
Chartered Accountants
Firm Registration No. 0113375

Sd/-
CA Krishna Raya Shyanbhoga
Partner
M. No. 200410
UDIN: 25200410BMKUSA7183

Place : Kundapura
Date : 11.06.2025

ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Manipal Housing Finance Syndicate Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to Financial Statements of **Manipal Housing Finance Syndicate Limited** (the “Company”) as of March 31, 2025, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company’s internal financial control with reference to 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 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 Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Financial Statements 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 ICAI.

For Shyanbhoga Hegde & Associates
Chartered Accountants
Firm Registration No. 011337S

Sd/-
CA Krishna Raya Shyanbhoga
Partner
M. No. 200410
UDIN: 25200410BMKUSA7183

Place : Kundapura
Date : 11.06.2025

BALANCE SHEET AS ON 31.03.2025

Particulars	Note No.	31.03.2025		31.03.2024	
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. EQUITY AND LIABILITIES :					
1. Share Holders' Funds					
a) Share Capital	1	977.62		977.62	
b) Reserves & Surplus	2	11,629.24	12,606.86	10,455.66	11,433.28
2. Non-current liabilities					
a) Long Term Borrowings	3	30,423.53		27,828.49	
b) Deferred tax liability (net)	4	487.71		461.88	
c) Long term provisions	5	1,358.96	32,270.20	1,261.80	29,552.17
3. Current liabilities					
a) Short term borrowings	6	10,472.70		9,087.87	
b) Trade Payables	7.1				
i) Total outstanding dues micro enterprises and small enterprises and;	7.1A	-		-	
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7.1B	133.26		119.88	
c) Other current liabilities	7.2	263.36		199.69	
d) Short term provisions	8	335.06	11,204.38	201.06	9,608.50
TOTAL			56,081.44		50,593.95
B. ASSETS :					
1. Non-current assets					
a) Property, Plant & Equipment and Intangible Assets:					
i) Property, Plant & Equipment	9	1,032.36		1,030.74	
b) Non-current investments	10	1,087.37		761.49	
c) Long term loans & advances	11	38,727.10		35,950.50	
d) Other Non-current Assets	12	173.64	41,020.47	126.53	37,869.26
2. Current assets					
a) Current Investments	13	-		209.74	
b) Cash and Cash Equivalents	14	642.98		674.91	
c) Short term loans and advances	15	14,394.81		11,827.75	
d) Other Current Assets	16	23.18	15,060.97	12.29	12,724.69
TOTAL			56,081.44		50,593.95
OTHER DISCLOSURES TO ACCOUNTS:	24				

The notes are an integral part of these financial statements.

As per our report of even date

Sd/- **N A Shanbhag**
Chairman
(DIN: 07157128)

Sd/- **T Sunil Pai**
Executive Director
(DIN: 00101564)

For Shyanbhoga Hegde & Associates
Chartered Accountants
Firm Registration No.: 011337S

Sd/- **H K Gangadhar**
Nominee Director
(DIN: 011129999)

Sd/- **Raghuvveera Shenoy**
Director
(DIN: 010400983)

Sd/- **CA Krishna Raya Shyanbhoga**
Partner

Place : Manipal
Date : 11-06-2025

Membership No.: 200410
Date : 11-06-2025 UDIN: 25200410BMKUSA7183

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2025

Particulars	Note No.	2024-25	2023-24
		₹ in Lakhs	₹ in Lakhs
I. INCOME			
Revenue from Operations	17	6,261.84	5,490.37
Other Income	18	209.91	371.77
TOTAL INCOME		6,471.75	5,862.14
II. EXPENSES			
Employee Benefit expenses	19	448.01	310.00
Finance costs	20	3,685.95	3,283.84
Depreciation and amortization expense	21	30.64	65.05
Other Expenses	22	647.56	651.88
TOTAL EXPENSES		4,812.16	4,310.77
Profit Before Tax		1,659.59	1,551.37
Tax expense			
a) Current Income Tax		396.00	371.00
b) Income Tax - Earlier year's provision		-	(5.77)
c) Deferred Tax Adjustments (Refer Note 4.02)		25.83	31.86
Profit for the year		1,237.76	1,154.28
Earning per Equity Share (Equity share of ₹ 10/- each fully paid)	23		
Basic Earning per share in ₹ Ps		14.45	13.47
Diluted Earning per share in ₹ Ps		14.45	13.47
OTHER DISCLOSURES TO ACCOUNTS:	24		

The notes are an integral part of these financial statements.

As per our report of even date

Sd/- N A Shanbhag
Chairman
(DIN: 07157128)

Sd/- T Sunil Pai
Executive Director
(DIN: 00101564)

For Shyanbhoga Hegde & Associates
Chartered Accountants
Firm Registration No.: 011337S

Sd/- H K Gangadhar
Nominee Director
(DIN: 011129999)

Sd/- Raghuvveera Shenoy
Director
(DIN: 010400983)

Sd/- CA Krishna Raya Shyanbhoga
Partner

Place : Manipal
Date : 11-06-2025

Membership No.: 200410
Date : 11-06-2025 UDIN: 25200410BMKUSA7183

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

	31.03.2025		31.03.2024	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
NOTE 1:				
SHARE CAPITAL				
(Refer Note: 1.01 to 1.05 below)				
Authorised Capital :				
86,00,000 (P.Y. 86,00,000) Equity Shares of ₹10 each		860.00		860.00
34,00,000 (P.Y. 34,00,000) 7% Cumulative Redeemable Preference Shares of ₹10 each		340.00		340.00
		<u>1,200.00</u>		<u>1,200.00</u>
Issued, Subscribed & Paid-up :				
85,05,300 Equity Shares of ₹10/- each fully paid-up (P.Y. 85,05,300 Equity Shares of ₹10/- each fully paid)	850.53		850.53	
Less: Calls in arrears (From persons other than directors)	0.01	850.52	0.01	850.52
12,71,000 7% Cumulative Redeemable Preference Shares of ₹10/- each fully paid-up (P.Y. 12,71,000 Cumulative Redeemable Preference Shares of ₹10/- each fully paid-up)		127.10		127.10
TOTAL		<u>977.62</u>		<u>977.62</u>

Note 1.01: Out of the above Preference Shares, 12,41,000 (face value ₹1,24,10,000) shares were allotted on 30th Sept. 2013 and 30,000 (face value ₹3,00,000) shares were allotted on 29th March 2014. These shares are redeemable in the manner, mentioned in Note 1.03 below.

Note 1.02: Reconciliation of number of shares

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
a. Equity Shares				
Balance as at the beginning of the year	85,05,150	850.52	85,05,150	850.52
Adjustments during the year	-	-	-	-
Balance as at the end of the year	85,05,150	850.52	85,05,150	850.52
b. 7% Cumulative Redeemable Preference Shares				
Balance as at the beginning of the year	12,71,000	127.10	12,71,000	127.10
Redeemed during the year (at par i.e. at ₹10 each)	-	-	-	-
Balance as at the end of the year	12,71,000	127.10	12,71,000	127.10

Note: 1.03: Rights, preferences and restrictions attached to shares

- a. Equity Shares:** The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company (after distribution of all preferential amounts) in proportion to their shareholding.
- b. Cumulative Redeemable Preference Shares:** These shares shall be redeemable at par after the expiry of 12 months but not later than 20 years from the respective dates of allotment at the discretion of the Board of Directors of the Company by giving not less than 3 months notice. The shares are entitled for preferential right over dividend (before the equity shareholders) at the rate of 7% per annum prorata, which is to be proposed by the Board of Directors, which is subject to the approval of the shareholders, in the ensuing Annual General Meeting, except in the case of payment of dividend as "interim dividend". Further shares are Cumulative and therefore the shareholders are entitled to carry forward the dividend of a year to the forthcoming year/s, in case the same is not declared in a year. In the event of liquidation, such shareholders are eligible to receive the face value (after distribution of all preferential amounts) before the distribution of assets to the equity shareholders. In case the assets available are not sufficient to cover up the face value, then the same will be distributed in proportion to their shareholding, if the surplus available, after distribution of all preferential amounts.

Note 1.04: Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Percentage	Number of shares	Percentage
a. Equity Shares				
M/s Syndicate Bank Manipal (Now Canara Bank)	6,00,000	7.05	6,00,000	7.05
M/s MPL Insurance Agency Services Private Ltd., Manipal	29,00,000	34.10	29,00,000	34.10
M/s ICDS Ltd., Manipal	7,29,000	8.57	7,29,000	8.57
Mr T Narayan M Pai	7,88,444	9.27	5,23,094	6.15
b. 7% Cumulative Redeemable Preference Shares				
Mrs. Vijayalaxmi N Pai	6,51,800	51.28	6,51,800	51.28
Mr. T Narayan M Pai	6,09,200	47.93	6,09,200	47.93

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

Note 1.05: Details of shares held by Promoters at the end of the year

	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Percentage	Number of shares	Percentage
a. Equity Shares				
M/s Syndicate Bank, Manipal (Now Canara Bank)	6,00,000	7.05	6,00,000	7.05
M/s MPL Insurance Agency Services Private Ltd., Manipal	29,00,000	34.10	29,00,000	34.10
M/s ICDS Ltd., Manipal	7,29,000	8.57	7,29,000	8.57
M/s MFC Limited, Manipal	-	-	5,23,094	6.15
Mr. T Narayan M Pai	7,88,444	9.27	2,65,350	3.12
Mr. T Sanjay Pai	2,43,300	2.86	2,43,300	2.86
Mrs. Sangeetha Pai	2,84,603	3.35	2,84,603	3.35
Mrs. Pranitha Pai	2,76,103	3.25	2,76,103	3.25
Mrs. Vijayalaxmi N Pai	2,54,050	2.99	2,42,400	2.85
Mr. T Sunil Pai	2,64,950	3.12	2,62,350	3.08
b. 7% Cumulative Redeemable Preference Shares				
Mrs. Vijayalaxmi N Pai	6,51,800	51.28	6,51,800	51.28
Mr. T Narayan M Pai	6,09,200	47.93	6,09,200	47.93

NOTE 2:

RESERVES & SURPLUS

(also refer Note 2.01 to 2.03 below)

Statutory Reserve

(in terms of Sec. 36(1)(viii) of Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987)

	31.03.2025		31.03.2024
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Opening Balance	3,084.14		2,849.48
Additions during the year	236.00		234.66
Appropriation during the year	-	3,320.14	-
(in terms of Sec. 29C of NHB Act, 1987)			3,084.14
Opening Balance	52.36		52.36
Additions during the year	11.60		-
Appropriation during the year	-	63.96	-
			52.36

General Reserve

Opening Balance	394.74		394.74
Add: Transferred during the year	-	394.74	-
			394.74

Capital Redemption Reserve

Opening Balance	124.46		124.46
Add: Transferred during the year	-	124.46	-
			124.46

Surplus in Statement of Profit & Loss

Balance at the beginning of the year	6,799.96		5,944.52
Profit for the Year	1,237.76		1,154.28
	8,037.72		7,098.80
Less: Appropriations (refer Note 2.01 below)	311.78	7,725.94	298.84
	11,629.24		10,455.66

Note 2.01: Appropriations

Transfer to Statutory Reserve			
In terms of Sec. 36(1)(viii) of Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987	236.00		234.66
In terms of Sec. 29C of NHB Act, 1987	11.60		-
Interim Dividend on Preference Shares (refer Note 2.02 below)			
1st Interim	2.22		2.22
2nd Interim	2.22		2.22
3rd Interim	2.23		2.23
4th Interim	2.23		2.23
Final Dividend for the year 31.03.2024 (subject to deduction of tax at source)	55.28		55.28
TOTAL APPROPRIATIONS	311.78		298.84

Note 2.02: Dividend is paid on Cumulative redeemable preference Shares at the rate of 7% prorata. Accordingly the Company has declared 1st, 2nd, 3rd and 4th interim dividend at the rate of 0.175 per share each time as follows. Thus total dividend paid for whole year comes to ₹0.70 per share on 12,71,000 shares (P Y ₹0.70 per share on 12,71,000 shares). Dividend of 6.5% (₹0.65) per equity share of the face value of ₹10/- each for the year ending 31.03.2025 has been proposed at the Board Meeting.

Note 2.03: The details of provision under Section 36(1)(viii) of Income Tax Act read with Section 29C of National Housing Bank Act, 1987

Particulars	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
A. Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	52.36	52.36
b) Amount of Special Reserve u/s 36(1)(viii) of the IT Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	3,084.14	2,849.48
Total - (A)	3,136.50	2,901.84

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

Particulars	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
B. Addition/ Appropriations/Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	11.60	-
b) Amount of Special Reserve u/s 36(1)(viii) of the IT Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	236.00	234.66
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 the IT Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	-	-
Total - (B)	<u>247.60</u>	<u>234.66</u>
C. Balance at the end of the year		
a) Statutory Reserve u/s 29C of NHB Act, 1987	63.96	52.36
b) Amount of Special Reserve u/s 36(1)(viii) of the IT Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987	3,320.14	3,084.14
Total - (A+B)	<u>3,384.10</u>	<u>3,136.50</u>

	31.03.2025		31.03.2024
	Non-Current ₹ in Lakhs	Current ₹ in Lakhs	Non-Current ₹ in Lakhs
			Current ₹ in Lakhs

NOTE 3:

LONG TERM BORROWINGS

(Refer Note: 3.01 to 3.08 below)

SECURED:

From Banks (including refinance from National Housing Bank)

Secured by hypothecation of Receivables

A

25,045.45	8,182.58	23,483.98	7,258.40
25,045.45	8,182.58	23,483.98	7,258.40

UNSECURED:

Public Deposits

B

5,378.08	1,646.18	4,344.51	1,597.81
5,378.08	1,646.18	4,344.51	1,597.81

TOTAL (A+B)

30,423.53	9,828.76	27,828.49	8,856.21
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- Note 3.01:** a. The Current Portion of the above, represents the amount repayable on or before next 12 months i.e. 31st March 2026 and the same is being disclosed under Note No. 6 as current maturity of Long Term borrowings Secured or Unsecured as the case may be.
- 3.02:** The Company has created negative lien on its unencumbered assets, in respect of loans outstanding as on the date of balance sheet ₹10,644.28 Lakhs (P Y ₹9,129.06 Lakhs).
- 3.03:** The break up of Public Deposits is as below: From related parties: Non-Current ₹31.73 Lakhs (P Y ₹119.63 Lakhs) and Current ₹123.09 Lakhs (P Y ₹22.00 Lakhs). From others: Non-Current ₹4,229.78 Lakhs (P Y ₹4,229.78 Lakhs), Current ₹1,575.81 Lakhs (P Y ₹1,575.81 Lakhs). Interest accrued but not due on the aforesaid deposits ₹27.50 Lakhs (P Y ₹15.96 Lakhs) disclosure under Note No. 7.2.
- 3.04:** Public Deposits matured for repayment ₹32.50 Lakhs (P Y ₹1.70 Lakhs) not included in the above Note. The same is being disclosed under Note No. 7.2. Interest on such deposits ₹0 (P Y ₹0 Lakhs) also disclosed under Note No. 7.2.
- 3.05:** a. Public Deposits are subject to renewal at the option of the depositors. However the current/non-current portion of the same is being arrived at without considering such option.
b. The Balances held under Public Deposits (both current and non-current) are subject to confirmation. The Company is in the process of obtaining confirmation from its depositors.
- 3.06:** The terms of the loans are as follows:
- The Company has availed term loans from a Bank which has an outstanding balance of ₹3,151.01 Lakhs as on 31st March 2025 in respect of 4 loans (₹5,236.61 Lakhs as on 31st March 2024 in respect of 6 loans). The effective rate of contractual interest as on 31st March 2025 for these loans is 9.50% (31-03-2024 - 9.20%). The loans are repayable in 84 to 120 monthly instalments ranging from ₹17.54 Lakhs to 59.52 Lakhs. The loans are secured by exclusive charge on housing loan receivables of the Company.
 - The Company has availed a term loan from a Bank which has an outstanding balance of ₹1,977.49 Lakhs as on 31st March 2025 in respect of 4 loans (₹1,674.12 Lakhs as on 31st March 2024 in respect of 3 loans). The effective rate of contractual interest as on 31st March 2025 is 10.00% - 10.25%. (31-03-2024 - 9.25%). The Term Loan is repayable in 120 monthly instalments ranging from ₹5.00 Lakhs to 16.70 Lakhs. The Term Loan is secured by hypothecation of jewel loan receivables.
 - The Company has availed term loans from a Bank which has an outstanding balance of ₹2,277.00 Lakhs as on 31st March 2025 in respect of 3 loans (₹9,129.06 Lakhs as on 31st March 2024 in respect of 6 loans). The effective rate of contractual interest as on 31st March 2025 for these loans ranges between 9.85% - 9.90% (31-03-2024 - ranges between 9.45% - 9.55%). The Term Loan I is repayable in 38 quarterly instalments of ₹26.32 Lakhs each and Term Loan II and III are repayable in 114 monthly instalments of ₹27 Lakhs and 14 Lakhs each respectively. The Term Loans are secured by exclusive charge on loan receivables of the Company.
 - The Company has availed term loans from a Bank which has an outstanding balance of ₹10,644.28 Lakhs as on 31st March 2025 in respect of 6 loans (₹9,129.06 Lakhs as on 31st March 2024 in respect of 6 loans). The effective rate of contractual interest as on 31st March 2025 for these loans ranges between 9.45% - 9.60% (31-03-2024 - 9.15% - 9.30%). The Term Loan I and II are repayable in 40 quarterly instalments of ₹50 Lakhs each, the Term Loan III and IV are repayable in 114 monthly instalments ranging from ₹26.32 Lakhs to 26.33 Lakhs and the term loans VI and V are repayable in 117 monthly instalments of 20.86 Lakhs and 24.98 lakhs respectively. The loans are secured by housing loan receivables of the company.
 - The Company has availed term loans from a Bank which has an outstanding balance of ₹2,027.00 Lakhs as on 31st March 2025 in respect of 3 loans (₹2,480.92 Lakhs as on 31st March 2024 in respect of 3 loans). The effective rate of contractual interest as on 31st March 2025 for these loans ranges between 9.45% - 9.55% (31-03-2023 - 9.15% - 9.25%). These Term Loans are repayable in 40 quarterly instalments ranging from ₹2.50 Lakhs to ₹60.00 lakhs. The loans are secured by exclusive charge on housing loan receivables of the Company.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

6. The Company has availed term loan from a Bank which has an outstanding balance of ₹7,693.57 Lakhs as on 31st March 2025 in respect of 8 loans (₹6,363.11 Lakhs as on 31st March 2024 in respect of 7 loans). The effective rate of contractual interest as on 31st March 2024 for these loans ranges between 9.35% to 9.65% (31-03-2024 - ranges between 9.05% to 9.60%). Each of the loans is repayable in 40 quarterly instalments with each instalment amount ranging between ₹25 Lakhs to 75 Lakhs. The loan is secured by hypothecation of loan receivables.
7. The Company has availed term loan from a Bank which has an outstanding balance of ₹2,903.99 Lakhs as on 31st March 2025 in respect of 5 loans (₹1,233.58 Lakhs as on 31st March 2024 in respect of 4 loans). The effective rate of contractual interest as on 31st March 2025 for these loans ranges between 9.75% to 10.35% (31-03-2024 - ranges between 9.75% to 10.40%). One of the loans is repayable in 40 quarterly instalments, with each instalment amount of ₹32.50 Lakhs and four of the loans are repayable in 36-60 monthly instalments, with each instalments amount ranging between ₹8.33 Lakhs to ₹41.67 Lakhs. Four of the Term Loans are secured by exclusive hypothecation of jewel loan receivables. Another Term Loan is secured by exclusive hypothecation of housing loan/ mortgage loan receivables of the Company.
8. The Company has availed term loan from a Bank which has an outstanding balance of ₹1,703.67 Lakhs as on 31st March 2025 in respect of 3 loans (₹1,744.48 as on 31st March 2024 in respect of 2 loans). The effective rate of contractual interest as on 31st March 2025 for these loans ranges between 9.50% - 10.05% (31-03-2024 - 9.80% - 9.90%). The loans are repayable in 84 Monthly instalments, with each instalment ranging from of ₹9.55 Lakhs to ₹11.95 Lakhs. The loans are secured by exclusive hypothecation of housing loan receivables of the Company.
9. The Company has availed term loan from a finance company which has an outstanding balance of ₹850.00 lakhs as on 31st March 2025. The effective rate of contractual interest as on 31st March 2025 is 10.05%. The loan is repayable in 60 Monthly instalments, with each instalment of ₹16.67 Lakhs. The loan is secured by exclusive hypothecation of mortgage loan receivables of the Company.
The unsecured loans are repayable on maturity. Interest on unsecured loans is payable periodically i.e. on monthly/quarterly basis in the case of non-cumulative scheme and payable on maturity in the case of cumulative scheme.

3.07: The repayment Schedule of Loans is as under:

	Secured ₹ in Lakhs	Unsecured ₹ in Lakhs
repayable within next 12 months i.e. Current Portion	8,182.58	1,646.18
repayable during the year ending 31st March 2027	7,407.96	2,649.00
repayable during the year ending 31st March 2028	5,246.80	2,369.09
repayable during the year ending 31st March 2029	3,313.36	360.00
repayable during the year ending 31st March 2030	2,748.87	
repayable during the year ending 31st March 2031	1,860.45	
repayable during the year ending 31st March 2032	1,750.00	
repayable during the year ending 31st March 2033	1,446.34	
repayable during the year ending 31st March 2034	819.36	
repayable during the year ending 31st March 2035	374.69	
repayable during the year ending 31st March 2036	77.61	

3.08: The Company has not defaulted in repayment of principal and interest to its lenders. The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they borrowed. The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
NOTE 4:		
DEFERRED TAX ASSET/LIABILITY (NET)		
(refer Note No. 4.01 & 4.02 below)		
Deferred tax Asset		
On Account of		
Disallowance U/S 43B	5.00	4.29
Provision for Non Performing Assets	316.90	285.93
Gratuity Trust fund maintained with LIC of India	-	(1.87)
On Account of Depreciation	26.00	25.99
	347.90	314.34
Less: Deferred tax Liability		
On Account of		
Special reserve created u/s 36(1)(viii) of Income Tax Act 1961	835.61	776.22
DEFERRED TAX ASSET/(LIABILITY)	(487.71)	(461.88)

Note 4.01: As per accounting standard (AS-22) on Accounting for taxes on Income, the major components of deferred tax arising on timing differences are given in the above Note No. 4.

4.02: Accordingly a sum of ₹25.83 Lakhs recognized as Deferred Tax Adjustment expense in the Statement of Profit and Loss. (P.Y: (Expense) ₹31.86 Lakhs).

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
NOTE 5:		
LONG TERM PROVISIONS		
Provisions on Non-Performing and Standard Assets as per RBI Directives (refer note 5.01 below & also Note 11.04 & 11.05)	1,358.96	1,261.80
	1,358.96	1,261.80

Note 5.01: Provisions made for Non-Performing and Standard Assets, represents provisions made as per "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" issued by the Reserve Bank of India which pertains to the Non-Current Portion of such assets. Provisions in respect of current Portion disclosed under Note No. 8.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
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NOTE 6:

SHORT TERM BORROWINGS

(refer Note 6.01 to 6.05 below)

SECURED:

From Banks

Working Capital Borrowings	643.94	231.66
Current maturities of long term debt - Secured (Refer Note No. 3 & 7.2.01)	8,182.58	7,258.40
Current maturities of long term debt - Unsecured (Refer Note No. 3 & 7.2.01)	1,646.18	1,597.81
	<u>10,472.70</u>	<u>9,087.87</u>

Note 6.01: The borrowing as above, represents Overdraft/Cash credit availed from Banks, which is subject to renewal every year. However the Bank has the right to demand the repayment at any time.

6.02: One of the above Overdraft, is secured by hypothecation of receivables in respect of Jewel Loans granted by the Company with a limit of ₹600 Lakhs (P Y ₹600 Lakhs).

6.03: The rate of interest on one of the overdrafts is MCLR + 0.60% p.a. The rate of interest as on 31st March 2025 is 9.70% (P Y MCLR + 0.6% i.e. 9.45% as on 31st March 2024). In respect of another overdraft, the rate of interest as on 31st March 2025 is 8.45%.

6.04: The Company has also pledged term deposits held with Banks of ₹402.43 Lakhs (P Y ₹502.28 Lakhs) as security for an overdraft on deposits of 3 accounts, The interest rate on these overdrafts range from 7.60% - 8.90%. I is 7.60% and for Overdraft II is 8.90% & for Overdraft III is 8.25% each (P Y 7.60%, 8.25% and 8.25%). Interest rate on Overdraft I & II is 2% above the pledged deposit rate and Overdraft III is 0.5% above the pledged deposit rate. However two of these accounts have not been overdrawn on the date of the Balance Sheet.

6.05: The relevant details (i.e. security offered, terms of repayment etc.) in respect of Current Maturity of Long Term Debt-Secured and Current Maturity of Long Term Debt-Unsecured, are given under Note No. 3, 3.01 to 3.07.

NOTE 7.1 :

TRADE PAYABLES

(refer Note below)

7.1A

Total outstanding dues to micro enterprises and small enterprises

-	-
<u>-</u>	<u>-</u>

Note: There are no dues to Micro, Small & Medium Enterprises at any time during the year, in the absence of notified registered dealer with the Company as per the provisions of the Micro, Small and Medium Enterprises Development Act 2006. Hence further disclosure requirement as required under Micro, Small & Medium Enterprises Development Act 2006 and Schedule III to Companies Act 2013 does not arise.

7.1B

Total outstanding dues of creditors other than micro enterprises and small enterprises.

133.26	119.88
<u>133.26</u>	<u>119.88</u>
<u>133.26</u>	<u>119.88</u>

TOTAL (A+B)

NOTE: Trade Payables ageing schedule

As at 31.03.2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-
Undisputed dues - Others	70.04	39.40	0.64	23.18	133.26
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

As at 31.03.2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-
Undisputed dues - Others	50.86	45.85	0.58	22.60	119.88
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	<u>31.03.2025</u>				<u>31.03.2024</u>
	(₹ in Lakhs)				(₹ in Lakhs)

NOTE 7.2 :

OTHER CURRENT LIABILITIES

(refer Note: 7.2.01 to 7.2.02 below)

Unclaimed Equity Dividends*	31.21	28.84
Unclaimed Matured Deposits*	32.50	1.70
Interest on Unclaimed Matured Deposits as above*	-	-
Interest accrued but not due on public deposits	27.50	15.96
Other Payables (See Note 7.2.02 below)	172.15	153.19
	<u>263.36</u>	<u>199.69</u>

* Does not include amount due to Investor Education and Protection Fund.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

	31.03.2025 (₹ in Lakhs)	31.03.2024 (₹ in Lakhs)
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Note 7.2.01: Other Payables includes, Tax deducted at source less provisions, balances lying unpaid after adjusting deposits with loans borrowed against them and uncashed interest cheques, which have become stale. However there are no cases which are outstanding for a period exceeding seven years. It also includes amounts payable to others in the ordinary course of business and other petty advances, which are not material in nature.

7.2.02: The balances held under "Unclaimed Matured Deposits", "Interest payable on such deposits" and "Other payables" are subject to confirmation. The Company is in the process of obtaining confirmations from respective parties.

NOTE 8:

SHORT TERM PROVISIONS

Provisions on Non-Performing and other Assets as per RBI Directives (refer note below 8.01 and also note 11.04 & 11.05)	294.45	201.06
Provision for Current Income Tax (Net of Advance Tax and Tax Deducted at Source)	40.61	-
	<u>335.06</u>	<u>201.06</u>

Note 8.01: Provisions made for Non-performing and other Assets, represents provisions made as per "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" issued by the Reserve Bank of India and which pertains to the Current Portion of such assets.

NOTE 9:

PROPERTY, PLANT AND EQUIPMENTS (also refer Note 9.01 to 9.04 below)

Assets	Gross Block (₹ in Lakhs)			Depreciation (₹ in Lakhs)				Net Block (₹ in Lakhs)		
	At Cost as on 31.03.2024	Additions	Sales	Total Cost as on 31.03.2025	Up to 31.03.2024	Deprecia- tion	Sales	Up to 31.03.2025	As on 31.03.2025	As on 31.03.2024
"Freehold Land (refer note below)"	926.51	-	-	926.51	-	-	-	-	926.51	926.51
Buildings Freehold	74.10	-	-	74.10	42.63	1.53	-	44.17	29.94	31.47
Buildings Lease hold	113.01	-	-	113.01	113.01	-	-	113.01	-	-
Office Furniture & Fittings	100.42	1.55	0.24	101.71	75.85	6.38	0.24	81.99	19.73	24.57
Office Equipments	33.33	8.43	2.76	39.00	27.78	3.62	2.41	29.00	10.01	5.56
Electrical Fittings	9.00	0.17	-	9.18	7.27	0.47	-	7.73	1.44	1.74
Air-Conditioners	4.92	0.53	-	5.45	4.11	0.35	-	4.44	1.00	0.81
Vehicles	123.14	20.29	9.70	133.73	83.55	16.00	9.35	90.18	43.54	39.60
Computer	52.01	1.98	-	53.99	51.50	2.30	-	53.81	0.19	0.50
Total	1,436.45	32.95	12.70	1,456.70	405.69	30.64	12.00	424.34	1,032.36	1,030.74

Figures for the immediate previous financial years

Assets	Gross Block (₹ in Lakhs)				Depreciation (₹ in Lakhs)			Net Block (₹ in Lakhs)		
	At Cost as on	Additions	Sales	Total Cost as on	Up to 31.03.2023	Deprecia- tion	Sales	Up to 31.03.2024	As on	As on
	31.03.2023			31.03.2024					31.03.2024	31.03.2023
Freehold Land	926.51	-	-	926.51	-	-	-	-	926.51	926.51
Buildings Freehold	74.10	-	-	74.10	41.02	1.62	-	42.63	31.47	33.08
Buildings Lease hold	113.01	-	-	113.01	71.78	41.23	-	113.01	-	41.23
Office Furniture & Fittings	99.81	0.97	0.37	100.42	68.01	8.19	0.36	75.85	24.57	31.79
Office Equipments	30.48	3.40	0.55	33.33	25.63	2.55	0.40	27.78	5.56	4.85
Electrical Fittings	8.80	0.21	-	9.00	6.69	0.58	-	7.27	1.74	2.11
Air-Conditioners	4.92	-	-	4.92	3.81	0.29	-	4.11	0.81	1.11
Vehicles	108.41	37.81	23.08	123.14	96.46	6.76	19.68	83.55	39.60	11.95
Computer	50.00	2.00	-	52.01	47.68	3.83	-	51.50	0.50	2.33
Total	1,416.04	44.39	24.00	1,436.43	361.08	65.05	20.44	405.69	1,030.74	1,054.96

Note 9.01: The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2025 and March 31, 2024 except the following:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE	Freehold Land	91.15	Ganapathi Bhat	No	30-Mar-08	Pending registration before legal heirs

9.02: Refer Note 24.03 for note on impairment of assets.

9.03: Disclosure with regard to charge on Property Plant and Equipments given vide Note No. 3.02 & 3.06 of Financial Statements, which may be referred to.

9.04: Refer Note 24.02.(c) for policy on measurement, depreciation method, useful life etc. of Property Plant and Equipment.

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
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NOTE 10:

NON-CURRENT INVESTMENTS (*)

(refer Note 10.01 to 10.05 below)

Other than Trade:

Quoted Investments (Valued at Cost)

I. Investment in Equity Instruments (in India)

NIL (P Y 8,050) Shares of ₹1 each of State Bank of India
4,200 (P Y 4,200) Shares of ₹1 each of ITC Ltd.
34,900 (P Y 34,900) Shares of Yes Bank Ltd.

	-	25.71
	12.42	12.42
	19.24	19.24
	<u>31.66</u>	<u>57.37</u>
Less: Provision for diminution in the value of investments	<u>13.99</u>	<u>13.99</u>
	17.67	43.38

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
Unquoted Investments (Valued at Cost)		
I. Investment in Equity Instruments (in India)		
25 (P Y 25) Shares of ₹25 each in SVC Co-operative Bank Ltd.	0.01	0.01
II. Investment in Government/Trust Securities (in India)		
8.30% Government of India Bonds (Face Value ₹1,10,00,000) (Held as SLR Securities under Reserve Bank of India Directives)	103.68	103.68
7.50% Government of India Bonds (Face Value ₹1,00,00,000) (Held as SLR Securities under Reserve Bank of India Directives)	97.40	97.40
7.52% Telangana state development bond (Face Value ₹50,00,000) (Held as SLR Securities under Reserve Bank of India Directives)	50.17	50.17
6.94% UP State Development Bond (Face Value ₹2,50,00,000) (Held as SLR Securities under Reserve Bank of India Directives)	250.00	250.00
7.65 % TN State development bond (Face value ₹70 lakhs) (Held as SLR Securities under Reserve Bank of India Directives)	70.00	70.00
7.03% MP State development bond (Face value ₹150 lakhs) (Held as SLR Securities under Reserve Bank of India Directives)	146.85	146.85
7.11% AP State development bond (Face value ₹200 lakhs) (Held as SLR Securities under Reserve Bank of India Directives)	200.12	-
7.19% HARYANA State development bond (Face value ₹150 lakhs) (Held as SLR Securities under Reserve Bank of India Directives)	151.47	-
	<u>1,069.69</u>	718.10
	<u>1,087.37</u>	<u>761.49</u>
Note 10.01: Aggregate Amount of Quoted Investments (non-current)	31.66	57.37
Aggregate Market Value of Quoted Investments (non-current)	23.93	86.65
10.02: Aggregate amount of Unquoted Investments (non-current)	1,069.69	718.10
10.03: The disclosure as required as per "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 "issued by Reserve Bank of India, in respect of Investments is given below: Aggregate Market Value of Quoted Investments (non-current)	23.93	86.65
Provision for diminution in the value of Investments	13.99	13.99
10.04: There are no Investments held outside India.		
10.05: The above list of investments is considered as disclosure as required under Section 186(4) of The Companies Act 2013. Investments in Equity Instrument is made for strategic purpose. Investment in Government/Trust Securities is made for Statutory Liquid Ratio purpose. The Company is a Housing Finance Company and therefore the question of making any disclosure in respect of loans made, guarantee given or security provided does not arise, for the reason that the aforesaid activities are entered in the ordinary course of business.		
	31.03.2025	31.03.2024
	Non-Current ₹ in Lakhs	Current ₹ in Lakhs
	Non-Current ₹ in Lakhs	Current ₹ in Lakhs
NOTE 11:		
LONG TERM LOANS & ADVANCES		
(considered good) (considered doubtful duly provided for in Note 4 and 8 subject to Note 11.03 & 11.04)		
A. Loans granted (refer Note 11.01 to 11.09)		
(Provisions for Non-Performing & Other Assets duly made as per RBI directives and shown separately under Note No. 4 and 8) (Given in the ordinary course of business)		
I. Secured Loans		
a. Housing Loans	33,337.59	3,588.27
b. Other Secured Loans	5,344.02	10,524.46
I Secured Loans	38,681.61	14,112.73
II. Unsecured Loans	-	-
II Unsecured Loans	-	-
A	38,681.61	14,112.73
B. Other (Unsecured)		
a. Income Tax paid (Advance Tax, TDS etc.) (net of provisions)	-	26.88
b. Other Advances (refer note 11.07)	45.49	8.86
B	45.49	8.86
TOTAL (A+B)	38,727.10	14,121.59
	35,950.50	11,584.41

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

- Note: 11.01:** The Current Portion of the above, represents the amount recoverable on or before next 12 months i.e. 31st March 2026 and the same is being disclosed under Note. No. 14.
- 11.02:** Housing Loans Granted (Secured) as per Note No. 11 (B)(I)(a) above represents Housing Loans granted by the Company secured on equitable mortgage of immovable properties and/or undertaking to create a security and/or, assignment of Life Insurance Policies and/or Personal guarantee of Individuals etc. Other Secured Loans as per Note No. 11 (B)(I)(b) represents Loans granted by the Company secured on equitable mortgage of properties and/or against pledge of jewels and/or personal guarantee of individuals.
- 11.03:** Loans considered good [as per Note No. 11 (B) above [i.e. both secured and unsecured] includes Non-Performing Assets against which adequate provisions have been made as per "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" issued by Reserve Bank of India from time to time. The provision so made also includes provisions made for Standard Assets.
- 11.04:** As per the directives issued by the Reserve Bank of India, the Company is required to disclose the provision amount for Non-Performing and Standard Assets separately, without netting off the same against the corresponding assets. Therefore the Company has disclosed the same under Note No. 4 and 8, under the Head "Long Term Provisions" and "Short Term Provisions" respectively.
- 11.05:** The details of Asset Classification as per directives issued by Reserve Bank of India [i.e. of Loans Granted (both current and non-current)], with provisions there of given below: (Previous year's amounts given within brackets) (as per Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021)

A. Housing Loans (Secured and includes both Current and Non-current Portion):

ASSET CLASSIFICATION	Outstanding as on 31 st March 2025 (₹ in Lakhs)	%	Provision as on 31 st March 2025 (₹ in Lakhs)
Standard (Considered Good) (* (%) refer Note below)	36,206.07 (33,160.01)	98.05 (98.29)	778.42 (739.56)
Substandard Assets	147.09 (22.09)	0.40 (0.07)	147.09 (22.09)
Doubtful Assets	572.70 (554.06)	1.55 (1.64)	572.70 (554.06)
Loss Assets	- (-)	- (-)	- (-)
Total	36,925.86 (33,736.16)	100.00 (100.00)	1,498.21 (1,315.71)

B. Non-Housing Loans (Both Secured & Unsecured and includes both Current and Non-Current Portion)

ASSET CLASSIFICATION	Outstanding as on 31 st March 2025 (₹ in Lakhs)	%	Provision as on 31 st March 2025 (₹ in Lakhs)
Standard (Considered Good) (* (%) refer Note below)	15,840.93 (13,706.52)	99.83 (99.91)	127.65 (134.43)
Substandard Assets	14.83 (12.72)	0.09 (0.09)	14.83 (12.72)
Doubtful Assets	12.72 (-)	0.08 (-)	12.72 (-)
Total	15,868.48 (13,719.24)	100.00 (100.00)	155.21 (147.15)

* This provision on Standard assets as on 31st March 2025 includes provision in respect of accounts in default but standard as per the provisions of RBI Notification vide RBI/2021-22/31 - 'Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses', asset classification benefit is extended and general provision of 10% i.e. ₹130.60 Lakhs (PY ₹155.26 Lakhs) has been made on outstanding balance of such accounts amounting to ₹1,305.96 lakhs (PY ₹1,552.63 Lakhs). No Provision is required to be made in respect of assets, other than above (i.e. other than Assets given in A & B of Note 11.05). Accordingly the disclosure as required under directives issued by RBI is not applicable in respect of such other assets.

- 11.06** No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or a member.
- 11.07** Other Advances includes vehicle loan advance to staff, travelling advance etc. The balances held under Loans Granted and Other Advances (as per B & C in Note 11, both Non-current and current) are subject to confirmation. The Company is in the process of obtaining the confirmations from the respective parties.
- 11.08** Percentage of outstanding Loans Granted against the pledge of gold jewellery (included in other secured loans), to the outstanding total assets is as below:

Particulars	31.03.2025		31.03.2024	
	Amounts outstanding (₹ in Lakhs)	% to Total Assets	Amounts outstanding (₹ in Lakhs)	% to Total Assets
Loans Outstanding against the pledge of jewellery	10,062.06	17.94	7,369.56	14.57
Total Assets held	56,081.43		50,593.95	

This disclosure is being made in accordance with sub-paragraph 5 of Paragraph 29 of Housing Finance Companies (NHB) Directions 2010.

- 11.09** For disclosure under Section 186(4) of the Companies Act 2013, refer Note 10.05.

NOTES TO ACCOUNTS FORMING PART OF BALANCE SHEET AS ON 31.03.2025

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
NOTE 12:		
OTHER NON-CURRENT ASSETS		
(Unsecured and considered good) (refer Note No. 12.01-12.02)		
Lease Security Deposits (unsecured)	162.47	109.47
Net Asset in Gratuity Fund (maintained by LIC of India)	0.53	4.58
Security Deposits	2.43	2.43
Other Bank balances (maturing after 12 months from the balance sheet date)	8.21	10.05
	<u>173.64</u>	<u>126.53</u>

Note 12.01: The Break up of Lease Security Deposit is as below: to Related Parties ₹Nil (P Y ₹Nil) & to Others ₹162.47 Lakhs (P Y ₹109.47 Lakhs)

Note 12.02: No amounts due from directors or other officers of the company either severally or jointly with any other person. Further, no amounts are due from firms or private companies respectively in which any director is a person, a director or a member.

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
NOTE 13:		
CURRENT INVESTMENTS		
(refer Note 13.01-13.02 below)		
Mutual Funds (unquoted) (NIL P.Y.)	-	209.74
HDFC Ultra short term Fund [15,14,605.84, NAV of ₹ 13.8471 per unit]	-	209.74

Note 13.01: Aggregate Amount of Investments in Mutual Funds

13.02: The disclosure as required as per "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 "issued by Reserve Bank of India, in respect of Investments is given below:
Aggregate Market Value of unquoted Investments (current)

NOTE 14:			
CASH AND CASH EQUIVALENTS			
A) Cash and Cash Equivalents (For the purpose of Cash Flow Statement)			
i) Cash in hand	26.36		53.98
ii) Balance with banks in Current Accounts	<u>76.35</u>	<u>102.71</u>	<u>86.40</u>
			140.38
B) Other Bank Balances			
i) Fixed deposits (maturing on or before 12 months after balance sheet date)			
Fixed Deposits with Scheduled Banks (Held as SLR assets)	-		-
Pledged to Banks for security for Overdraft	502.43		502.28
Pledged to Sales Tax	0.10		0.10
Kept for Bank Lockers	4.48		3.18
Other Deposits	<u>1.94</u>	<u>508.95</u>	<u>0.01</u>
ii) In Current Account earmarked for unclaimed dividends		31.32	28.96
CASH & CASH EQUIVALENTS		<u>642.98</u>	<u>674.91</u>

NOTE 15:			
SHORT TERM LOANS AND ADVANCES			
(Considered Good) (refer Note 15.01-15.03)			
Loans Granted:			
(Provisions for Non-Performing & Other Assets duly made as per RBI Directives and shown separately under Note No. 5 and 8)			
(Given in the ordinary course of business)			
Secured Housing and other Loans (as per Note No. 11)	14,112.73		11,578.31
Other Advances (unsecured) (as per Note No. 11)	8.86		6.10
Prepaid expenses	<u>273.22</u>		<u>243.34</u>
	<u>14,394.81</u>		<u>11,827.75</u>

Note 15.01: The Secured Housing and other Loans Granted as above, represents Current Portion of Long terms loans (as detailed in Note 11) Also refer Note 11.01 to 11.09 for other informations on loans granted.

15.02: For disclosure under Section 186(4) of the Companies Act 2013, refer Note 10.05.

15.03: No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or a member.

NOTE 16:			
OTHER CURRENT ASSETS			
(Unsecured and considered good)(refer Note 16.01)			
Interest accrued on Investments	21.45		10.90
Income Receivable from Banks & Others	<u>1.73</u>		<u>1.39</u>
	<u>23.18</u>		<u>12.29</u>

Note 16.01: No amounts due from directors or other officers of the company either severally or jointly with any other person. Further, no amounts are due from firms or private companies respectively in which any director is a person, a director or a member.

NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2025

	31.03.2025		31.03.2024
	₹ in Lakhs		₹ in Lakhs
NOTE 17:			
REVENUE FROM OPERATIONS			
(Refer Note 17.01 & 17.03 below)			
Income from Housing Finance			
Interest on Loans	3,810.61		3,656.57
Other Financial Services	116.68	3,927.29	112.74
Interest on Other Loans		2,322.74	1,713.85
Miscellaneous Income		11.81	7.21
NET REVENUE FROM OPERATIONS		6,261.84	5,490.37

Note 17.01: Income from Other Financial Services of Housing represents Income from Processing, Administrative and other related charges.

17.02: Also refer Note 22.02 for details of provision on Non-Performing and other Assets.

17.03: Miscellaneous Income includes income from locker rent etc.

NOTE 18:			
OTHER INCOME			
Interest on Investments (Long Term - non-trade)	60.34		50.66
Other Interest (On Bank Deposits & Income Tax Refund)	42.38	102.72	48.60
Dividend on Investment - Non-Trade (Current)		1.69	1.57
Lease Rent Received		25.56	23.43
Profit on Sale of Current Investments (Non-Trade)		70.08	54.74
Net actuarial gain on Gratuity Fund (maintained by LIC of India)		-	7.42
Other non-operating income (Profit on sale of Property, Plants and Equipments)		4.89	14.80
Bad Debts Recovered		4.97	170.55
		209.91	371.77

NOTE 19: **EMPLOYEES' BENEFIT EXPENSES**

(Refer Note 19.01 below)

Salary		401.57	279.22
Bonus		10.27	8.23
Staff Welfare Expenses		1.09	0.79
Contribution to Provident and other Funds		18.75	11.86
Contribution to Gratuity Premium		7.33	5.92
Contribution to ESI		4.94	3.98
Loss from Gratuity fund maintained with LIC of India		4.06	-
		448.01	310.00

Note 19.01: Disclosure as required under Accounting Standard 15 i.e. Employee benefits, given under Note No. 24.09.

NOTE 20: **FINANCE COSTS**

Interest on Term Loan	3,042.18		2,743.29
Interest on Public Deposits	551.52		453.91
Interest on Others - Working Capital Borrowings etc.	13.75	3,607.45	7.91
Bank Charges, Commission & Processing Fees		78.50	78.73
		3,685.95	3,283.84

NOTE 21: **DEPRECIATION AND AMORTIZATION EXPENSE**

Depreciation on Tangible Assets (Refer Note No. : 9)	30.64		65.05
	30.64		65.05

NOTE 22: **OTHER EXPENSES**

Building Rent (refer Note 22.01 below)	44.15		46.12
Locker Rent	8.06		7.13
Corporate Social Responsibility expenditure	34.00		32.00
Advertisement and Sales Promotion Expenses	2.17		0.73
Bad debts	-		62.03
Commission & Brokerage	91.60		84.32
Directors Sitting Fee	0.60		0.50
Donations	0.06		0.08
Electricity & Water Charges	5.32		5.61
Insurance Premium	10.91		10.80
Legal & Professional Charges	69.34		67.90

NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2025

	31.03.2025 ₹ in Lakhs	31.03.2024 ₹ in Lakhs
Miscellaneous Expenses	114.75	144.12
Printing & Stationery	8.80	8.10
Provisions for Non-Performing & other Assets (Refer Note 22.02)	190.56	115.33
Postage & Couriers	4.17	4.70
Registration & Licence Fee	3.51	3.43
Telephone Charges	6.13	7.43
Travelling and Conveyance Expenses	31.49	32.65
Vehicle Maintenance	16.16	13.11
Audit Fees		
Statutory Audit	4.25	4.25
Tax Audit	0.35	0.35
Certification	0.30	0.30
Other expenses	0.88	5.78
Loss on sale of Fixed Assets	0.00	0.01
	647.56	651.88

Note 22.01: Building Rent as above represents rent paid in respect of premises taken on cancellable operating lease.

22.02: The details of provisions made during the year for Non-Performing and other assets are as under:

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
a. On Housing Finance Business:		
i. Provisions as required under RBI Directives on Housing Finance business		
Standard Assets	38.87	433.91
Substandard Assets	125.00	(786.91)
Doubtful Assets	(920.56)	(463.48)
ii. Additional provision	939.19	939.19
	182.50	122.71
b. On Business other than Housing Finance:		
i. Provisions as required under RBI Directives on Other Business		
Standard Assets	(6.77)	(5.99)
Substandard Assets	2.11	8.86
Doubtful Assets	1.91	(21.06)
ii. Additional provision	10.81	10.81
	8.06	(7.38)
Total Provisions made/(reversed) during the year (net) (a + b)	190.56	115.33

	31.03.2025 ₹ in lakhs	31.03.2024 ₹ in lakhs
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NOTE 23:
EARNING PER EQUITY SHARE

(Refer Note 23.01 below)

a) Net profit after tax, as per Statement of Profit & Loss	1,237.76	1,154.28
b) Preference Dividend	8.90	8.90
c) Net profit available for equity shareholder used as numerator (a-b)	1,228.86	1,145.38
d) Weighted Average No. of equity shares used as Denominator	85.05	85.05
e) Basic/Diluted earning per equity share of ₹10 each fully paid	14.45	13.47

Note 23.01: There are no extra ordinary items and therefore the question of calculating earning per share after adjusting such items does not arise.

NOTE 24:
OTHER DISCLOSURES TO ACCOUNTS:
24.01 Corporate Information:

The Registered office of the Company is at Manipal (State: Karnataka). The Company is registered as a Housing Finance Company with National Housing Bank since regulated by Reserve Bank of India. Accordingly, the main business of the Company is to extend Housing Loans for the construction or purchase of residential houses. In addition, the Company also extends loans on the security of other properties, jewels etc. for the purposes other than housing. The Company also accepts deposits from the public.

The Company has decided to round off the figures to the nearest lakhs with two decimals except where otherwise stated.

The Company has made disclosures in this financial statement, which are as required to be disclosed under Schedule III to Companies Act 2013 and also under the applicable Accounting Standards and such disclosures are being made to the extent applicable. The financial statements are being prepared in the format as specified under Division I of Schedule III to Companies Act 2013, after including therein the heads, to the extent applicable to the Company.

24.02 Accounting Policies:
a. Basis of Accounting and Revenue recognition:

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Accounting Standard) Rules 2021, as amended and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. All significant items of income & expenditure are accounted on accrual system of accounting. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The Company follows "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" issued by Reserve Bank of India on Income recognition for accounting Income as per circulars issued by RBI from time to time. Income by way of 'Interest' is recognized on the time proportionate method. Income by way of 'Dividend' is recognized, when the unconditional right to receive the income is established. However, income by way of Processing/ Administrative fees, Interest on Income Tax Refund and Miscellaneous income are accounted on receipt basis, since the income of such nature are considered to be accrued and due on the date of receipt. Brokerage/ Commission on deposits and service charges on bank loans are written off over the tenure of deposit and bank loans respectively.

NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2025

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The difference between the actual results and estimates are being recognized in the period in which the results are known/ materialized.

c. Property, Plant & Equipment and Depreciation:

Freehold land is carried at historical cost. All other items of 'Property, Plant and Equipment' are stated at historical cost less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties and levies. Such cost includes the cost of replacing parts of the 'Property, Plant and Equipment' and the borrowing cost till the date of installation of qualifying asset and any attributable cost of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of 'Property, Plant and Equipment' and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Further, when each major inspection is performed, its cost is recognized in the carrying amount of the item of 'Property, Plant and Equipment' as a replacement if the recognition criteria are satisfied. Machinery spares if any, which are specific to a particular item of 'Property, Plant and Equipment' and whose use is expected to be irregular are capitalized as 'Property, Plant and Equipment'.

Spare parts, if any, are capitalized when they meet the definition of 'Property, Plant and Equipment' i.e., when the Company intends to use these for more than a period of 12 months.

The Property, Plant and Equipment held by the Company does not involve decommissioning costs and the cost of removal of such assets is not material considering the size of the Company. Considering this aspect, the Company has not made any policies for capitalizing the decommissioning cost.

Depreciation on 'Property, Plant & Equipment' generally is provided on the written down value method over the useful lives of the assets in terms of Schedule II of the Companies Act, 2013. Depreciation for the assets purchased / sold during the period is proportionately charged. However, Building constructed on the lease hold land if any, is depreciated under straight line method over the period of lease or the useful life in terms of Schedule II of the Companies Act 2013, whichever expires earlier. Improvements to buildings are amortized over the period of remaining useful life of the building. 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 and under such circumstances the appropriate disclosure will be made in the notes to accounts.

d. Investments:

Long Term Investments are stated at cost. The Company has the policy of making provisions for diminution in the value of such investments to recognize decline, other than temporary. Current investments if any are valued at cost or net realizable value whichever is lower. The Company does not own any immovable property held as investments and accordingly has not made any policies for such investments.

e. Tax on Income:

The Company has charged off the Current Income Tax to the Statement of Profit and Loss. Deferred Tax Assets/Liabilities are recognized/ provided in accordance with Accounting Standard 22. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date, on the timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax Asset is recognized, subject to the considerations of prudence. Deferred tax assets so recognized, are net off to deferred tax liability or vice versa. Advance Income Tax Paid (including Tax deducted at source, tax paid on self-assessment or otherwise) and provision for current Income Tax are presented in the Balance Sheet after setting off the same against each other.

f. Employee Benefits:

The Company's 'Retirement Benefit Plan' & 'Other Benefit Plans' comprises of Contribution to Provident Fund, Employee State Insurance and Gratuity. Contributions to Provident Fund & Employee State Insurance are being made at pre-determined rates and are charged to the Statement of Profit & Loss. The company's liability towards gratuity to employees is covered by group gratuity policy with LIC of India. Company is not providing leave encashment as employee benefits.

There are no other retirement benefits/other benefits being provided by the Company.

g. Borrowing Costs:

Borrowing costs are recognized as an expense in the year in which they are incurred except which are directly attributable to acquisition/construction of qualifying property, plant & equipment, till the time such assets are ready for use, in which case the borrowing costs are capitalized as part of the cost of the asset.

h. Provisions & Contingent Liabilities/Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions not made in the account (which otherwise should have been made) are disclosed by way of appropriate note. Contingent liabilities (if any) are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

i. Impairment of Assets:

The Company has framed the policy of impairing the asset, when carrying value of the assets exceeds its recoverable amount, under the circumstances when the Company is having the sources of information (whether internal or external) that an impairment loss may have occurred. Accordingly, impairment losses will be charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment losses recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

j. Accounting for Leases:

Rent on premises taken on operating lease charged to statement of profit & loss as Rent Paid on time proportionate basis. All leases are taken on cancelable operating lease.

k. Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share if any is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except when the results would be anti-dilutive.

l. Operating Cycle:

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

m. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

n. Events occurring after the Balance Sheet Date:

Dividends, if any, pertaining to the financial year, but declared after the Balance Sheet, not recognized as a liability and the same is being disclosed in the notes to accounts vide Note 2.02 & 24.15.

24.03: The management is of the opinion that the carrying cost of the assets does not exceed its recoverable amount. Further the Company does not have any information whether internal or external, that indicates that "impairment loss may have occurred". Accordingly, the question of impairment of assets does not arise.

24.04: Disclosure in respect of related parties with whom transactions have taken place during the period

A. Key management personnel and their relatives

Sri T Sunil Pai - Executive Director
 Smt. Vijayalaxmi N Pai - Director
 Sri T Sanjay Pai - Brother of Executive Director
 Sri T Narayan M Pai - Father of Executive Director
 Smt Pranitha Pai - Wife of Executive Director
 Ms. Tanisha Pai - Daughter of Executive Director
 Sri T Narayana M Pai (HUF) - Entity in which Executive Director's relative is a member

NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2025

B. Related Corporate Bodies

M/s MPL Insurance Agency Services Private Ltd. Manipal
(The Company is Associate Company of the aforementioned company.)
M/s Manipal Finance Corporation Limited, Manipal - Other Related party

Details of transactions are as follows. The names of parties with the amount involved therein are disclosed separately under first Column, if the amount involved therein is material.

Particulars	2024-25 ₹ in Lakhs	2023-24 ₹ in Lakhs
A. Advances, Deposits and loans from related parties		
Key Management Personnel and Relatives		
Deposits received during the year	53.73	291.12
Deposit refunded during the year	22.00	193.62
Outstanding as on the last day of the year	151.36	145.09
Amount payable as deposit (including interest)		
B. Interest & other expenses to related parties		
Key Management Personnel and Relatives		
Interest on deposit and Rent	15.47	16.96
C. Remuneration & other charges:		
Key Management Personnel and Relatives		
Remuneration (including PF & Perquisites):		
Sri T Sunil Pai- ₹ 35.84 lakhs (P Y ₹ 18 lakhs)	71.68	18.00
Sri T Sanjay Pai- ₹ 35.84 lakhs (P Y ₹ Nil)		
Professional Charges:		
Sri T Sanjay Pai- ₹ Nil (P Y ₹ 15.48 lakhs)	-	15.48
D. Loan given:		
M/s Manipal Finance Corporation Ltd- ₹ Nil (P Y ₹ 156.43 Lakhs)	-	156.43
E. Interest received on Loan:		
M/s Manipal Finance Corporation Ltd- ₹ 13.29 Lakhs (P Y ₹ 15.63 Lakhs)	13.29	15.63
F. Dividend Paid		
Key Management Personnel and Relatives		
Preference Dividend		
Sri T Narayan M Pai – ₹4.26 lakhs (P Y ₹4.26 lakhs)	8.83	8.83
Smt. Vijayalaxmi N Pai – ₹4.56 lakhs (P Y ₹4.56 lakhs)		
Final Equity Dividend for year ending 31.03.2024		
Sri T Narayana M Pai- ₹1.72 lakhs (P Y ₹ 1.72 lakhs)		
Smt. Vijayalaxmi N Pai- ₹1.65 lakhs (P Y ₹ 1.63 lakhs)		
Sri T Sunil Pai- ₹1.71 lakhs (P Y ₹ 1.71 lakhs)	10.30	10.30
Smt. Pranitha Pai- ₹ 1.79 lakhs (P Y ₹ 1.79 lakhs)		
Sri T Sanjay Pai- ₹1.58 lakhs (P Y ₹ 1.58 lakhs)		
Smt. Sangeetha Pai- ₹1.85 lakhs (P Y ₹ 1.85 lakhs)		
Related Corporate Bodies		
M/s MPL Insurance Agency Services Private Ltd. Manipal		
Final Equity Dividend for year ending 31.03.2024 ₹18.85 lakhs (P Y ₹18.85 lakhs)	18.85	18.85
No amount pertaining to the related parties has been provided for as doubtful debts/advances or written off/ written back during the year.		

24.05: Information as required as per "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" issued by the Reserve Bank of India.

A. The details of the levy of penalty, if any, imposed on the housing finance company by the National Housing Bank: ₹ Nil (P Y: ₹ Nil)

B. Adverse comments, if any, on the housing finance company made in writing by the National Housing Bank on regulatory compliances, with a specific communication to the housing finance company to disclose the same to the public: No such comments made (P Y: No such comments made)

As per various clauses of "Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021" issued by Reserve Bank of India every Housing Company shall make certain disclosures in its Balance Sheet. Accordingly, the Company has compiled the details as aforesaid and annexed the same to this financial statement.

As per Para 4 of the "Guidelines for Asset Liability Management System in Housing Finance Companies" issued by the National Housing Bank vide letter No. NHB(ND)/HFC(DRS-REG)/ALM/35/2010 dated 11th October 2010, every Housing Company shall make certain disclosures in its Balance Sheet. Accordingly, the Company has compiled the details as aforesaid and annexed the same to this financial statement.

As per Para 5(I) read with Annexure 4 thereon of "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions 2016", every public deposit accepting/holding Housing Finance Companies are required to disclose certain aspects in their annual financial statement. Accordingly, the Company has compiled the details as aforesaid and annexed the same to this financial statement.

As per Part D of RBI Notification "Resolution Framework for COVID-19-related Stress" dated 6th August 2020 vide no "DOR.No.BPBC/3/21.04.048/2020-21" every lending institution are required to disclose certain aspects in their annual financial statement. Accordingly, the Company has compiled the details as aforesaid and annexed the same to this financial statement.

As per Clause 4 of Part I of RBI Notification "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 7th April 2021 vide no "DOR.STR.REC.4/21.04.048/2021-22" every lending institution are required to disclose certain aspects in their annual financial statement. Accordingly, the Company has compiled the details as aforesaid and annexed the same to this financial statement.

The annexures referred above are annexed with financial statement and forms part of financial statement.

24.06: In the opinion of the Board of Directors, the assets listed under the head Non-Current Assets & Current Assets (other than Tangible Assets and Non-Current Investments) in the Balance Sheet (viz: assets covered under Note No.11 to 16), have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

24.07: The Company is operating under one reportable business segment i.e. Finance Activity and one Geographical segment. Therefore, the Accounting Standard relating to Segment Reporting is not applicable.

24.08: The Company has created during the earlier years, the floating charge on the statutory liquid assets maintained (including such securities to be purchased by the Company in future) in terms of subsection 1 & 2 of Section 29B of the National Housing Bank Act, 1987. Such charge is being created by executing the trust deed. M/s SBICAP TRUSTEE COMPANY LIMITED has been appointed as the sole trustee of the trust. The value of such assets held as on the date of the Balance Sheet is Rs. 930 Lakhs (P Y ₹ 730 Lakhs- Canara Bank). The charge as aforesaid has been created in compliance of Directives.

24.09: Employee Benefits

Brief description of the Plans:

a) The Company has two schemes for long-term benefits such as provident fund and gratuity. In case of funded schemes, the funds are recognized by the Income tax authorities and administered through trustees/ appropriate authorities. The Company's defined contribution plan is employees' provident fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) wherein the Company has no further obligation beyond making the contributions.

The Company is also contributing towards Employee State Insurance Plan, as per statutory requirements, wherein the Company has no further obligation beyond making the contributions.

The Company's defined benefit plan is gratuity.

NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2025

b) Charge to the Profit and Loss Account based on contributions:

The Company's contribution to the Provident Fund and other related funds charged to Profit and Loss Account during the year is ₹ 18.75 Lakhs. (P.Y: ₹ 11.86 Lakhs)

The Company's Contribution to Employee State Insurance Plan charged to Profit and Loss Account during the year is ₹ 4.93 Lakhs. (P.Y: ₹ 3.98 Lakhs)

The Company's contribution to LIC under Group Gratuity Policy, charged to Profit & Loss Account is ₹ 7.33 Lakhs. (P.Y: ₹ 5.92 Lakh)

c) Disclosures for defined gratuity benefit plans based on actuarial reports obtained from Life Insurance Corporation of India as on 31st March 2025:

Valuation Method: Projected Unit Credit Method

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Changes in present value		
Opening value of obligations	52.44	54.32
Current service cost	2.66	2.74
Interest cost	3.80	3.94
Actuarial loss / (gain)	12.86	(2.39)
Benefits paid	(2.93)	(6.16)
Closing value of obligations	68.83	52.44
Change in Fair Value of Assets		
Opening fair value of plan assets	57.02	51.47
Expected return on plan assets	4.59	3.82
Contributions by employer	10.67	7.89
Benefits paid	(2.93)	(6.16)
Closing fair value of plan assets	69.36	57.02
Funded Status	0.53	4.58
Amount recognized in the Balance Sheet		
Present value of obligations as at year end	68.83	52.44
Fair value of plan assets as at year end	69.36	57.02
Amount not recognized as an asset	-	-
Funded Status	0.53	4.58
Net (asset) / liability recognized as on 31st March 2025	(0.53)	(4.58)
Expenses recognized in the Profit and Loss Account		
Current service cost	2.66	2.74
Interest on defined benefit obligation	3.80	3.94
Expected return on plan assets	(4.59)	(3.82)
Net actuarial loss / (gain) recognized in the current year	12.85	(2.39)
Effect of the limit in Para 59(b) of AS 15	*	*
Total expense	14.72	0.46
Asset information (as per Para 120 (h) of AS 15)	*	*
Principal actuarial assumptions used		
Discount rate (p.a.)	7.25%	7.25%
Expected rate of return on plan assets (p.a.)	*	*
Salary Escalation	7.25%	7.25%
Withdrawal Rate :	*	*
Rate of increase in compensation levels	*	*
Expected average remaining working lives of employees in number of years	*	*
Experience adjustments (as per Para 120 (n) of AS 15)	*	*
Expected employer's contribution for the next year	*	*

The Company has written to Life Insurance Corporation of India to furnish information of the Defined Gratuity Benefit Plan, in the manner required under Accounting Standard 15. Accordingly the Life Insurance Corporation of India has given the information as given above, which has been relied by the Auditors.

(*) The Life Insurance Corporation of India has not given these information

Data for defined gratuity benefit obligation and fair value of planned assets are as under:

₹ in lakhs.

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Closing value of obligation	68.83	52.44	54.31	38.96	39.10
Closing fair value of plan assets	69.36	57.02	51.47	51.02	49.14
Net (asset)/liability recognized	(0.53)	(4.58)	2.84	(12.06)	(10.04)

24.10: The Company does not have any pending litigation which would impact its financial position.

24.11: The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

24.12: There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund, by the Company.

24.13: The management hereby state that, to the best of its knowledge and belief, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or,
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

24.14: The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or,
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

NOTES TO THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2025

- 24.15:** The final dividend proposed for the year ended, immediately preceding financial year, declared and paid by the Company during the year ₹55.28 Lakhs. Interim dividend declared and paid ₹8.90 Lakhs by the Company during the year. The dividends paid is in compliance with section 123 of the Act.
- 24.16:** There is no Intangible Assets under development and therefore, the question of making any disclosure in respect of aforesaid aspects does not arise.
- 24.17:** The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, Key Managerial personnel and related parties (as defined under Companies Act 2013) at any time during year or at any time during the comparative year.
- 24.18:** The Company has not been declared as a willful defaulter by any bank or financial institution or any other lender.
- 24.19:** Disclosure with regard to events occurring after the Balance Sheet date is given below:

The Nature of Event:

Proposed Dividend on Equity Shares (subject to deduction of tax at source). The Board has proposed a dividend of 6.5% i.e. ₹0.65 per share on Equity Shares.

Estimated Financial Effect:

The aforesaid dividend if approved by the Company at its Annual General Meeting, will result in cash outflow of the following amounts:

On account of Dividend ₹55.28 Lakhs (subject to deduction of tax at source)

- 24.20:** The Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as on 31st March, 2025.
- 24.21:** The Company has used the accounting software for maintaining its books of accounts which has a feature of audit trail (Edit log) facility. Further the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software. Further, the company did not come across any instances of audit trail features being tampered with.
- 24.22 Accounting Ratios:**

Sl. No.	Name of the ratio	Numerator	Denominator	FY 24-25	FY 23-24	% variance	Reason for variance
1	Current Ratio (in times)	Current Assets (Note 13 to 16)	Current Liabilities (Note 6 to 8)	1.34	1.32	2%	
2	Debt-Equity Ratio (in times)	Total Debt (Note 3 + Note 6)	Equity (Note 1+2)	3.24	3.23	0%	
3	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Total debt service	0.52	0.52	0%	
4	Return on Equity (in %)	Net Profit - Preferred dividends	Average shareholder equity	10.22	10.52	(3%)	
5	Inventory Turnover (in times)	Sales	Average Inventory	NA	NA	NA	
6	Trade Receivable Turnover (in times)	Net Sales	Average Accounts Receivables	NA	NA	NA	
7	Trade Payable Turnover Ratio (in times)	Net Purchases	Average Trade Payables	NA	NA	NA	
8	Net Capital Turnover Ratio (in times)	Revenue from Operations (Note 17 + Note 18)	Working Capital	1.68	1.88	(11%)	
9	Net Profit Ratio (in %)	Net Profit	Revenue from Operations	19%	20%	(3%)	
10	Return on Capital Employed (in %)	Earnings before Interest & Tax	Capital Employed	10%	10%	0%	
11	Return on Investment (in %)	Dividend Received	Average Investments	6.71%	7.59%	(12%)	

The reasons for variance of ratios with significant change (i.e. change of 25% or more as compared to the financial year 2023-24) have been explained.

24.23 Details with regard to Corporate Social Responsibility Expenditure:

₹ in Lakhs

Sl. No.	Particulars	FY 24-25	FY 23-24
1	Amount required to be spent by the Company during the year	33.90	31.91
2	Amount of expenditure incurred on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	34.00	32.00
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reason for shortfall	NA	NA
6	Nature of CSR activities	Health, Education	
7	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NIL	

- 24.24:** The Company has not entered into any transactions with the Companies struck off under section 248 of Companies Act 2013 either during the year or during comparative year.
- 24.25:** There are no contingent liabilities as on 31st March 2025.
- 24.26:** The previous year's amounts are regrouped / reclassified / rearranged wherever necessary.

As per our report of even date

Sd/- N A Shanbhag
Chairman
(DIN: 07157128)

Sd/- T Sunil Pai
Executive Director
(DIN: 00101564)

For Shyanbhoga Hegde & Associates
Chartered Accountants
Firm Registration No.: 011337S

Sd/- H K Gangadhar
Nominee Director
(DIN: 011129999)

Sd/- Raghuvveera Shenoy
Director
(DIN: 010400983)

Sd/- CA Krishna Raya Shyanbhoga
Partner

Place : Manipal
Date : 11-06-2025

Date : 11-06-2025

Membership No.: 200410
UDIN: 25200410BMKUSA7183

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025**

₹ in Lakhs

Description	FY 2024-25	FY 2023-24	
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Profit for the year :	1,237.76	1,154.28	
Tax expenses	421.83	397.09	
Net Profit before tax	1,659.59	1,551.37	
Adjustments for :			
Depreciation	30.64	65.05	
Gratuity Fund Expense/(Income)	4.06	(7.42)	
Interest income from investments	(60.34)	(50.66)	
Interest expenses	3,607.45	3,205.11	
Dividend received	(1.69)	(1.57)	
(Profit)/Loss on sale of property, plant and Equipment (net)	(4.89)	(14.80)	
Provision for doubtful debts/ (Reversal of provision)	190.56	115.33	
(Profit)/Loss from sale of Investments	(70.08)	(54.74)	
Operating profit before working capital changes	5,355.30	4,807.67	
Adjustments for changes in working capital :			
(Increase)/Decrease in Housing & Other Loans Granted	(5,338.93)	(1,691.27)	
(Increase)/Decrease in trade and other receivables	(88.87)	70.93	
Increase/(Decrease) in trade and other payables	32.35	(70.06)	
Cash Generated from operations (before payment of interest & tax)	(40.15)	3,117.27	
Interest paid	(3,595.91)	(3,213.12)	
Income tax (paid)/refunded	(328.51)	(326.79)	
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(3,964.57)	(422.64)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase/aquisition of property, plant and equipment	(32.95)	(44.39)	
Sale proceeds from property, plant and equipment	5.59	18.36	
Purchase of Long Term Investments	(325.88)	(146.85)	
Purchase of Current Investments	209.74	(209.74)	
Sale,Redemption/(Purchase) of Current Investments	70.08	54.74	
Interest Received	49.80	47.58	
Dividend Received	1.69	1.57	
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(21.93)	(278.73)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Public Deposits	1,112.74	973.63	
Increase/(Decrease) in Bank/NHB Borrowings	2,897.92	(277.55)	
Dividend Paid on Equity Shares	(52.91)	(52.77)	
Interim Dividend Paid on Preference Shares	(8.92)	(8.90)	
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		3,948.83	634.41
Net Increase in Cash and Cash Equivalents		(37.67)	(66.96)
Opening Balance of Cash & Cash Equivalents		140.38	207.34
Closing Balance of Cash & Cash Equivalents		102.71	140.38

Note: 1) Cash Flow Statement is prepared under Indirect Method as prescribed under Accounting Standard 3.

2) The Company has incurred expenditure towards CSR Activities ₹ 34 Lakhs (P Y ₹ 32 Lakhs) during the year as given in Note 22. The details of expenses required to be spent for CSR Activities are disclosed in Notes forming part of the financial statements. This has been considered as operational activity.

3) Previous year's amounts have been arranged, regrouped and reclassified wherever necessary.

The notes are an integral part of these financial statements.

As per our report of even date

Sd/- **N A Shanbhag**
Chairman
(DIN: 07157128)

Sd/- **T Sunil Pai**
Executive Director
(DIN: 00101564)

For Shyanbhoga Hegde & Associates
Chartered Accountants
Firm Registration No.: 011337S

Sd/- **H K Gangadhar**
Nominee Director
(DIN: 011129999)

Sd/- **Raghuveera Shenoy**
Director
(DIN:010400983)

Sd/- **CA Krishna Raya Shyanbhoga**
Partner

Place : Manipal
Date : 11-06-2025

Membership No.: 200410
Date : 11-06-2025 UDIN: 25200410BMKUSA7183

**DISCLOSURES IN TERMS OF MASTER DIRECTION- NON-BANKING FINANCIAL COMPANY -
HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTION, 2021 AND OTHER RBI NOTIFICATIONS**

Disclosure pursuant to RBI notification RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated May 5, 2021 in relation to the Resolution frame work for COVID-19 related Stress: (₹ in Crores)

Type of Borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan-Position as at the end of the previous half-year (A)	(B) Of (A), aggregate debt that slipped in to NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan-Position as at the end of this half-year
Personal Loans	13.68	-	-	1.26	11.60
Corporate Persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	1.53	-	-	0.17	1.46
Total	15.21	-	-	1.43	13.06

Quarter on quarter Liquidity Coverage Ratio (₹ in Lakhs)

Sr. No.	Particulars	As at 30th June 2024		As at 30th September 2024		As at December 31, 2024		As at March 31, 2025	
		Total Un-weighted Value (Average)	Total Weighted Value (Average)	Total Un-weighted Value (Average)	Total Weighted Value (Average)	Total Un-weighted Value (Average)	Total Weighted Value (Average)	Total Un-weighted Value (Average)	Total
1.	HIGH QUALITY LIQUID ASSETS Total High Quality Liquid Assets (HQLA)	889.48	739.65	1444.80	1294.97	1071.28	881.43	1184.82	994.97
2.	CASH OUTFLOWS Deposits (for deposit taking companies)	368.8	424.12	51.38	59.09	150.87	173.50	102.30	117.65
3.	Unsecured wholesale funding			-	-			-	-
4.	Secured wholesale funding	793.91	913.00	899.92	1034.91	899.92	1034.91	418.06	480.77
5.	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products								
	(iii) Credit and liquidity facilities	164	188.60	159	182.85	160	184	139	159.85
6.	Other contractual funding obligations	402.09	462.40	440.55	506.63	442.99	509.44	330.17	379.70
7.	Other contingent funding obligations								
8.	TOTAL CASH OUTFLOWS	1728.8	1988.12	1550.85	1783.48	1653.78	1901.85	989.53	1137.96
	CASH INFLOWS								
9.	Secured lending								
10.	Inflow from fully performing exposures	4089.8	3067.35	4457.64	3343.23	6299.25	4724.44	3259.69	2444.77
11.	Other cash inflows	1193.36	895.02	494.06	370.55	1218.93	914.20	218.86	164.15
12.	TOTAL CASH INFLOWS	5283.16	3962.37	4951.70	3713.78	7518.18	5638.64	3478.55	2608.92
13.	TOTAL HQLA	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	
		739.65		1294.97		881.43			994.97
14.	TOTAL NET CASH OUTFLOWS	497.03	445.87	445.87	445.87	475.46	475.46	284.49	284.49
15.	Liquidity coverage ratio (%)	149%		290%		185%		350%	

Principal Business Criteria for HFCs

"Housing Finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfills the following conditions:

- a) It is an NBFC whose financial assets, in the business of providing finance to housing constitute at least 60% of its total assets (netted off by intangible assets)
b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals

RBI vide its circular number RBI/2020-21/60DOR.NBFC(HFC). CC.No.118/03.10.136/2020-21 dated October 22, 2020 defined the principal business criteria for HFCs. The Company meets the aforesaid principal business criteria for HFCs as could be seen from the following: (₹ in Lakhs)

Particulars	As at March 31, 2025
Financial Assets	55430.25
Total Assets	56081.44
Intangible Assets	0
Total Assets (net of intangible assets)	56081.44
Housing Finance	36925.86
Individual Housing Finance	33558.18
Percentage of housing finance total assets (net off intangible assets)	65.84%
Percentage individual housing finance to total assets (net of intangible assets)	59.84%

Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 24.02 to the accounts.

Disclosures:

Capital: Details are furnished here below:

(₹ in Crores)

Particulars	Current Year	Previous Year
(i) CRAR (%)	37.97	38.04
(ii) CRAR-Tier I Capital (%)	35.67	35.58
(iii) CRAR-Tier II Capital (%)	2.30	2.46
(iv) Amount of subordinated debt raised as Tier-II Capital	Nil	Nil
(v) Amount raised by issue of perpetual Debt Instruments	Nil	Nil



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

(₹ in Crores)

Particulars	Current Year	Previous Year
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.52	0.52
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	30.84	28.49
c) Total	31.36	29.01
Addition/Appropriation/Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	0.12	0.00
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	2.36	2.35
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	0.64	0.52
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	33.20	30.84
c) Total	33.84	31.36

Investments

Value of Investments		
(i) Gross Value of Investments		
(a) In India	11.01	9.85
(b) Outside India		
(ii) Provision for Depreciation		
(a) In India	0.14	0.14
(b) Outside India		
(iii) Net Value of Investments		
(a) In India	10.87	6.15
(b) Outside India		
Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.14	0.14
(ii) Add Provisions made during the year	0.00	0.00
(iii) Less: Write-off/Written-back of excess provisions during the year	0.00	0.14
(iv) Closing Balance	0.14	0.14

Derivatives

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

The company has not entered into any forward rate agreement (FRA) / Interest Rate Swap (IRS) during the year.

Exchange Traded Interest Rate (IR) Derivative

The company has not undertaken any exchange traded interest rate derivative during the year.

Disclosures on Risk Exposure in Derivatives

The company does not have any exposure in derivatives and hence there is no risk in this regard

Securitisation

The company did not enter into any securitisation deal during the year

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

There was no sale of financial assets by way of Securitisation / Reconstruction of the company during the year

Details of Assignment transactions undertaken by HFCs

There were no assignment transactions undertaken during the year

Details of non-performing financial assets purchased/sold

There were no purchase/sale of non-performing assets during the year

Undisbursed Loans:

Undisbursed loans as on 31.03.2025 were ₹6.93 Crores

Assets Liabilities Management (Maturity pattern of certain items of Assets Liabilities)

(₹ in Crores)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Liabilities											
Deposits	0.95	0.00	0.07	3.24	4.46	4.53	3.54	50.18	3.60	-	70.57
Borrowings from Bank	0.36	0.33	3.67	6.19	9.75	20.14	41.39	126.55	60.62	63.28	332.28
Market Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets:											
Advances	5.57	0.27	1.94	8.96	9.82	26.56	87.34	74.83	71.59	241.06	527.94
Investments	-	-	-	-	-	-	-	0.70	-	10.17	10.87
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

Exposure

Exposure to Real Estate Sector

(₹ in Crores)

Category	Current Year	Previous Year
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; (Individual housing loans up to ₹15 lakh may be shown separately)	369.26	337.36

Category		Current Year	Previous Year
(ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	-
(iii)	Investments in Mortgage Backed securities(MBS) and other Securitised exposures		
	a) Residential	-	-
	b) Commercial Real Estate	-	-
b)	Indirect Exposure	-	-
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

Exposure to Capital Market

(₹ in Crores)

Particulars	Current Year	Previous Year
(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;	0.18	0.43
(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 of 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 corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	0.18	0.43

Details of financing of parent company products

These details are not applicable since the company is not a subsidiary of any company.

Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the financial year.

Unsecured Advances - Nil
Exposures to group companies engaged in real estate business - Nil
Miscellaneous
Registration obtained from other financial sector regulators

Regulator	Registration No.
Financial Intelligence Unit- India	FIHFC00035

Disclosure of Penalties imposed by NHB /RBI and other regulators

There were no penalties imposed by NHB/RBI or any other regulators during the year.

Related party Transactions

a) Details of all material transactions with related parties are disclosed in note 23.04

b) Policy on dealing with Related Party Transactions

The policy with regard to Related Party Transactions was adopted in terms of NHB directions on corporate governance vide Circular No.NHB(ND)/DRS/Policy Circular No.79/2016-17 dated 27.4.2017 and in line with the requirement of section 188 of the Companies' Act 2013 read with the rules made there under and in conformity with applicable accounting standard.

Objectives: This policy seeks to serve the following objectives.

1. To regulate and control related party transactions as intended under Companies' Act/NHB Directions.
2. To ensure that there is a proper system of approval for related party transactions.
3. To ensure disclosure of the related party transactions entered between MHFSL and its related parties.
4. To ensure transparency regarding such transactions; and
5. To improve corporate governance by providing required disclosures of related party transactions.

Definitions under the Policy:

Key definitions of the terms used in this policy are as under:

- a) "Board": The 'Board' refers to the board of directors of the company.
- b) "Audit Committee": The 'Audit Committee' means the audit committee constituted by the Board under the provision of Section 177 of the Companies Act, 2013 and as per the directions of NHB vide Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 09.02.2017.
- c) Key managerial personnel in relation to the company (MHFSL) cover Managing Director/CEO, Executive Director, Company Secretary, CFO & such other officers as may be prescribed under NHB Directions or Companies' Act, applicable accounting standard or policy adopted by the Board.
- d) Related party: The term 'Related Party' has been defined under section 2 (76) of the Companies' Act 2013 and the same is described under the head "Description of Related Party" here below:
- e) "Arm's length transaction" means transaction between two related or affiliated parties that is conducted as if they were unrelated so that there is no conflict of interest.

Description of Related Party:

Related Party with reference to a company means:-

- i) a Director or his relative
- ii) a 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 director and holds along with his relative more than 2% of the Paid-up Capital of the said company.
- v) any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager.
- vi) any person on whose advice, direction or instructions, a Director or Manager is accustomed to act. However, this will not apply to the advice given in a professional capacity.
- vii) any company which is holding subsidiary or associate company or a subsidiary of a holding company to which it is also a subsidiary
- viii) such other person as may be prescribed.

Rule 3 of the Companies (Specification of Definitions Details) Rules, 2014 provides that a Director or key managerial personnel of the holding company or his relative with reference to a company shall also be deemed to be a related party.

Related Party Transactions:

In terms of definition 'related party transaction' means a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged. Related Party Transaction' shall have the same meaning as defined under Section 188(1) of the Companies Act, 2013. Related party transactions their coverage and illustrations are provided elsewhere in this policy.

Related Party Transactions considered Material:

Related Party Transactions considered material include related party transactions where the aggregate value of transactions entered or likely to be entered into with related party during the current financial year is likely to exceed 10% of the annual consolidated turn over of the company as per the last audited financial statement of the company.

Relative:

In terms of Section 2(77) of the Companies' Act 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 a person is said to be a relative of another, if

- a) They are members of a Hindu undivided family;
- b) They are husband and wife;



- c) Father (including step father)
- d) Mother (including step mother)
- e) Son (including step son)
- f) Sons' Wife
- g) Daughter (including step daughter)
- h) Daughter's Husband
- i) Brother (including step brother)
- j) Sister (including step sister)

Identification of Potential Related Party Transaction:

Every director and key managerial personnel is responsible for providing advance notice to the board or audit committee of any potential related party transaction involving himself or his relatives including any additional information about the transaction that the Board/Audit Committee may require. The Board/Audit Committee shall note the same and record disclosure of interest in this regard.

Approval of Related Party Transactions:

OMNIBUS Approval:

All related party transactions require approval of the audit committee/board/shareholders as stipulated in this policy. However, audit committee/board may grant omnibus approval for such transactions subject to following conditions:-

1. Transactions which are repetitive in nature and transactions which conform to the criteria laid down for omnibus approval by the NHB/Companies' Act/Board.
2. If such omnibus approval is in the interests of the company.
3. If need for related party transaction cannot be foreseen.
4. If value of such transaction does not exceed rupees 10 Lakh per transaction.

All related party transactions which are not under omnibus approval require specific approval by the approving authorities specified here below:-

Approving Authorities:

All related Party Transactions which are in the ordinary course of business and are on arm's length basis up to an amount equivalent to 10% of the annual consolidated turn over of the company can be approved by the audit committee/Board. If the amount exceeds the said limit, then the same should come before the Board for consideration and the Board will take a view on the matter and make its recommendation to the shareholders and final approval will be by the shareholders in the Annual General Meeting through an ordinary resolution.

Related Party Transactions – Coverage:

Related Party Transactions may cover transactions of following types as per applicable accounting standard:

- a) Transfer of resources, services or obligations between the company and a related party regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in the contract.
- b) Contracts or arrangements entered into with related party for the following:
 - i) Sale, purchase or supply of any goods or materials.
 - ii) Selling or otherwise disposing of or buying property any kind.
 - iii) Leasing of property of any kind or hire purchase arrangement.
 - iv) Availing or rendering of any services.
 - v) Transfer of research and development.
 - vi) Appointment of any agent for purchase or sale of goods, materials, services or property.
 - vii) Appointment of related party to any office or position of profit in the company or its subsidiary or associate company.
 - viii) License agreements.
 - ix) Finance arrangements including loan and equity contribution in cash or kind.
 - x) Guarantees and collaterals.
 - xi) Agency arrangements, management contracts including deputation of staff.
 - xii) Under-writing the subscription of any securities or derivatives thereof of the company.
 - xiii) Any other item not specifically defined herein which shall have the same meaning as defined in the companies' Act, 2013 or applicable accounting standards or, guidelines, directions and instructions issued by National Housing Bank, from time to time.

All Related Party Transactions other than those under OMNIBUS Approval, entered into in the ordinary course of business and transacted at arm's length pricing basis also require approval of Audit Committee/Board.

All the Related Party Transactions which are material require approval by Audit Committee and Board and Board may recommend the same to shareholders for final approval by means of a resolution. All types of transactions as listed above including selling of property and leasing of property amounting to 10 per cent or more of net worth of the company or 10 per cent or more of turnover require approval by Board and shareholders. Also, availing of services amounting to 10 per cent or more of turnover of the company require approval by Board and shareholders. These limits apply for transactions entered into individually and or aggregate of transactions during a financial year. In the case of appointment to an office of profit in the company monthly remuneration/amount payable for service exceeding ₹2.5 Lakhs in a financial year require approval of Board and shareholders.

Procedure for granting of Omnibus approval by the Audit Committee/Board:

The Audit Committee/Board may grant Omnibus approval in terms of this policy based on the following criteria:-

- i. Frequency of the transactions based on either the past record of similar transactions, or anticipated frequency of such transactions during the current financial year;
- ii. Volumes of transactions undertaken with such related party. The maximum value per transaction shall not exceed ₹10 Lakhs (Rupees Ten Lakhs) or in the aggregate shall not exceed 1% (one per cent) of the annual consolidated turn over of the company.
- iii. Disclosure of the following matters to the Audit committee at the time of seeking omnibus approval is necessary.
 - a. Projected growth rate in business with related party in the financial year for which omnibus approval is sought.
 - b. Contractual terms offered by other parties for similar transactions.
 - c. Adherence to any conditions on the contractual terms with such related parties, for instance, floor and cap on the pricing, credit terms, escalation in costs, quality checks, etc. The Audit Committee will carefully examine the proposal and satisfy itself the need for such omnibus approval and consider grant of such approval for the same in the interests of all development of business of MHFSL.

The Omnibus approval to be granted by the Audit Committee will specify the following:

- i. Name of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into.
- ii. Indicative base price or current contracted price and the formula for variation in the price if any.
- iii. The maximum transaction value and /or maximum period for which the omnibus approval shall be valid.
- iv. Such other conditions as the Audit committee may deem fit.

Also, in circumstances where the need for a related party transaction cannot be foreseen or predicted, the Audit committee may grant approval for such transaction also.

Review of Omnibus approval:

The Omnibus approval granted for a particular financial year will be reviewed in the first Audit Committee Meeting to be held in the first quarter of the succeeding financial year and the fresh omnibus approval to be granted in that meeting will be valid for the next full financial year. Similarly, the review will take place every year thereafter in the first meeting to be held in the first quarter of the year.

Related Party Transactions for which Audit Committee shall not grant omnibus approval:

- a) Transactions which are not in the ordinary course of business and which are not on arm's length pricing basis.
- b) Transactions in respect of selling or disposing of the undertaking of the company.
- c) Transactions which are not in the interest of the company.
- d) Such other transactions specified under applicable law from time to time/policy decisions of the Board taken from time to time/ directions, guidelines and instructions issued by NHB from time to time, etc.

Procedure for approval of related party transactions not covered under omnibus approval:

1. The Audit Committee shall review all potential/proposed related party transactions to ensure that no conflict of interest exists and evaluate from the angle of arm's length pricing.
2. Any member of the Audit committee who has an interest in the transaction under consideration shall abstain from voting on the approval of the related party transactions.
3. The Audit Committee shall have all the rights to call for information/documents in order to understand the scope of the proposed related party transactions and recommend an effective control system for verification of supporting documents.

The Audit Committee shall grant approval for such related party transactions as are within its power/jurisdiction in terms of value per transaction/total amount/nature of transaction, etc and refer all transactions which are not within its power to the Board for further consideration and decision.

Related Party Transactions which are not approved by the Audit Committee/Board

If any related party transactions which are not approved come to the notice of the company, the same has to be placed before the Audit Committee for review. The Audit Committee will examine the same and make its recommendation to the Board. The Board will take a view and evaluate all options which are available. The options may include any of the following:

1. Ratification/approval
2. Revision and
3. Termination of the related party transaction.

Review of the Policy on Related Party Transactions:

This policy reviewed by the Audit Committee/ Board on an annual basis i.e. in its first meeting to be held in the first quarter of every financial year. The Audit committee and the Board in the meeting held on 11.06.2025 expressed the view that no changes in the policy is required for now. On the basis of future reviews, changes in this policy will be incorporated whenever necessary. The latest review of all policies including this policy took place on 11.06.2025. The policy as it exists now stands uploaded on the website of the Company viz. www.manipalhousing.com.

Dissemination of Information:

Approved policy on Related party Transactions stands uploaded on the Website of the company and a weblink of the same is www.manipalhousing.com. Also, relevant details of related party transactions are disclosed in the Annual Report of the company.

Group Structure –These details are not applicable since the company is an independent company and is not linked to any Group.

Rating assigned by Credit Rating Agencies and migration of rating during the year

Instrument	Rating Agency	Rating assigned
Deposits	Acuite Ratings& Research Ltd.	ACUTE A
Long term Bank Facilities	Acuite Ratings& Research Ltd.	ACUTE A-

Remuneration of Directors:

Details of Remuneration of Directors are disclosed as part of the Directors report

MANAGEMENT DISCUSSION AND ANALYSIS ON HOUSING SECTOR AND FINANCIAL PERFORMANCE

The Indian real estate sector stands as a cornerstone of the nation's economy, being the second-largest employment generator after agriculture contributing 18% of the total employment in India. It contributed approximately 7.3% to the GDP, with projections indicating an expansion to \$1 trillion by 2030, and accounting for 13% of the GDP in 2025. The real estate sector in India has experienced the power of policy support in the last decade. Initiatives like RERA (Real Estate Regulatory Authority), FDI relaxations, GST, and bankruptcy code reforms have made the sector more transparent, structured, and investment friendly. The demand for premium and luxury housing has also gained significant traction. Luxury & Premium housing (>1 Cr) accounted for 46% of total sales in Q4 FY25, highlighting a structural shift in consumer preferences. In addition, real estate has emerged as the preferred asset class for investment, playing a crucial role in portfolio diversification. Recent survey data as per Anarock indicates a strong shift, with 40% of investors actively diversifying their portfolios favoring real estate.

HOUSING FINANCE SECTOR:

India's housing finance market has witnessed strong growth, driven by increasing homeownership aspirations, government policy support, and improving affordability. As per CIBIL TransUnion Report, as of October 2024, the Housing Loan (HL) portfolio stood at ₹7.2 trillion, reflecting a 14% YoY growth. Within this, the regular housing loan segment accounted for ₹25.1 trillion registering a strong 20% YoY growth, while affordable housing loans reached ₹12.2 trillion, having 6% YoY growth. In the Loan Against Property (LAP) segment, the total outstanding portfolio stood at ₹11.1 trillion, marking a robust 23% YoY growth.

According to Techsiresearch, the Indian affordable housing sector was valued at USD 1.8 Billion in 2022 and is expected to grow at 19.8% CAGR during 2022-2028. The sector is reaping the benefits that the Government has placed on urban infrastructural development and planning. The unwavering focus on infrastructure will indirectly drive real estate growth in the future.

Opportunities and Threats

The demand for residential housing is driven by rapid pace of urbanization, growing disposable incomes of individuals, government initiatives on affordable housing through PMAY(U), stamp duty concessions etc. Also, despite the increase in Repo rate by 250 bps between the years 2022 and 2023, the demand for residential housing has remained strong. The recent REPO rate reduction to the extent of 1% in the aggregate by the RBI augers well for the housing sector as this will go a long way in stimulating demand for housing loans and help accurate housing loan disbursements in the days to come.

Conclusion:

India's housing and housing finance sectors are poised for sustained growth, driven by rising affordability, urban migration, and evolving consumer preferences. Strong policy support, increasing mortgage penetration, and expanding credit access continue to enhance sectoral momentum. The longterm outlook remains robust, with housing demand expected to accelerate, creating significant opportunities for developers and lenders alike.

B. Financial Performance

The year 2024-25 that has rolled by has been a year of satisfactory performance for MHFSL.

The salient aspects of performance in key areas are brought out here below :

(₹ in Crores)

Product wise performance :	Previous Year	Current Year	Increase in %
Housing /Mortgage Loans	399.40	425.63	6.57
Other loans	75.15	102.31	36.14
Financial performance:			
YEAR ENDED AS ON	31.03.2024	31.03.2025	
Interest Income	54.90	62.62	
Other Income	3.72	2.10	
Total Income	58.62	64.72	
Interest Expended	32.84	36.86	
Net interest Income	22.06	25.76	
Operating Expenses	9.00	10.96	
Provisions	1.15	1.91	
PBT	15.51	16.60	
PAT	11.54	12.38	
Total Loans outstanding (Net)	474.55	527.94	
Tangible Net worth	113.06	124.80	
Capital Employed	483.50	535.03	
Housing /Mortgage Loans	399.40	425.63	
Jewel Loans	73.70	100.62	
Total assets	505.94	560.81	
Key Ratios %			
Net interest Margin	4.44	4.81	
Yield on Advances(%)	11.78	12.47	
Interest /Borrowed funds(%)	8.98	9.47	
Interest Spread(%)	2.80	3.00	
Operating expenses/Avg. capital employed(%)	1.90	1.66	
PAT Margin(%)	19.69	19.13	
RONW(%)	10.72	10.40	
ROTA(%)	2.32	2.32	
Overall Debt/Equity ratio (Times)	3.39	3.24	
Interest Coverage Ratio (Times)	1.35	1.34	
Capital Adequacy Ratio (CAR) (%)	38.04	37.97	
Tier 1 CAR	35.58	35.67	
Gross NPA (%)	1.24	1.42	
Net Npa (%)	0.00	0.00	
Net NPA/Net Worth (%)	0	0	

C. Future Outlook

The year 2026 is expected to see India maintaining its position as the fastest-growing major economy, with a projected GDP growth of around 6.4% to 6.5%. This growth is anticipated to be driven by strong domestic demand and government capital expenditures. Globally, the economic outlook suggests a resilient but potentially uneven growth pattern, with inflation easing further, though progress will be uneven.

According to the report, the GDP growth of India is forecast to be 6.4 per cent in 2026 and will remain fastest growing economy, with real GDP growth at 5.9 per cent, Q4/Q4 in 2025 and 6.4 per cent in 2026.

Here's a more detailed look:

India's Economic Outlook:

- Growth:**

India is expected to be the fastest-growing major economy, with a projected GDP growth of 6.4% to 6.5% in 2026.

- Factors Driving Growth:**

Strong domestic demand, government capital expenditures, and income-tax concessions provided in the budget for 2026-27 are expected to contribute to India's growth.

- Potential Challenges:**

Geo political tensions and uncertainty related to U.S. trade policies could pose challenges.

D. Risks & Concerns

Being in the lending business, Risk Management forms a vital element of our business. The Company has a well-defined Risk Management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing and mitigating risks. The company has a Risk Management Committee (RMC) and an Asset Liability Management (ALM) Policy approved by the Board. The Board has constituted the Asset Liability Committee (ALCO) to assess the risk arising out of the liquidity gap and interest rate sensitivity. During the year, the RMC reviewed the risk associated with the business, its root cause and the efficacy of the measures taken to mitigate the same. ALCO also reviewed the risks arising from the liquidity gap and interest rate sensitivity and took decisions to mitigate the risk by ensuring adequate liquidity through the maturity profile of the Company's assets and liabilities.

The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

1. Low credit risk
2. Moderate credit risk
3. High credit risk

MHFSL has a well-defined risk governance structure which provides for identification, assessment and management of risks. Risk management involves making decisions and establishing governance systems that embed and support effective risk process, as well as building an organizational culture that supports agility.

The company has also complied with the provisioning norms and fulfilled the provisioning requirements as per the NHB directions. As a measure of prudence, we have made extra provision of ₹950.00 Lakhs. The present outstanding provision is ₹1462.85 Lakhs.

The company has strengthened the risk management system to mitigate risks arising out of the current environment. The Company has also made constant efforts to support the recovery team, in containing early delinquencies, resolving NPAs and expediting sale of secured assets under auction in terms of provisions of SARFAESI Act. The company will continue to adopt a balanced approach to business and growth with a keen eye on asset quality and profitability.

Global factors may also cause disruption in the market. Steps and new initiatives expected by the present Government in the coming days and particularly and the measures and policy initiatives announced by RBI, may go some way in helping the Company to perform and achieve desired measure of progress in the days ahead.

e. Internal Control System

The Company has in place an effective Internal Audit Framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's Risk Management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a Risk Based Internal Audit (RBIA) approach. Internal Audit function headed by the Head Internal Audit has organizational independence functionally reporting into the Audit Committee of the Board. The Company has implemented a RBIA Program in accordance with the requirements of RBI circular dated June 11, 2021. The Internal audit plan is approved by the Audit Committee and Internal audits are undertaken on a periodic basis to independently validate the existing controls. Internal Audit Reports are regularly reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems. Significant audit observations, if any, are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

Branches are inspected by a team of officers every quarter. Prompt action is taken to rectify the observations made by internal auditors and inspectors. Audit Committee of the Board verifies the observations/items of findings which are pending for rectification in its quarterly meetings.

The Company followed the prudential norms on Income Recognition, Assets Classification, Provision Norms, Disclosures, Writing Off or waiver of Interest, Due Diligence, Recovery Procedures, Record Retention, and Technical Write Off as per the RBI/NHB Directions.

The present system of internal control is considered adequate having regard to the size of the company and volume of business. The Company engages M/s. N P Pai & Co., Chartered Accountants, Udipi, (Firm Registration No.115271W / Membership No.039351) as its Internal Auditor. Credit Audit and vetting of documents is carried out by Sri H Srihari Bhat, an experienced retired Bank Officer on an ongoing basis.

f. Human Capital

Human Capital refers to the employees' competencies, talents, knowledge, expertise, experience, commitment and loyalty and capability to utilise the same for fulfilling the needs and expectations of stake holders. It also covers training programmes and development programmes organised for the benefit of employees including NHB online training programmes and webinars.

Employees' contribution is vital to the Company's performance both qualitative and quantitative. Accordingly, the Company's performance management system is used effectively to improve staff capabilities in areas such as leadership, team building, knowledge accessibility and productivity enhancement.

The function of management of human capital is carried on by the HO personnel department. The company has 170 employees as on 31.03.2025. There is cordial employee and industrial relation in the company. MHFS Ltd. provides adequate training opportunities to staff at various levels including deputation to NHB training programmes including on line training programmes.

Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

Revenue Recognition

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

Consolidated Financial Statements (CFS)

It is not applicable since there is no subsidiary to MHFSL.

Additional Disclosures

Provisions and Contingencies

(₹ in Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
1. Provisions for depreciation on investment	0.00	0.00
2. Provision made towards Income tax	3.96	3.71
3. Provision towards NPA	1.59	(3.13)
4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	0.32	4.28
5. Other Provision and Contingencies (with details)		

(₹ in Crore)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	362.06	331.60	158.41	137.06
b) Provisions made	7.78	7.40	1.28	1.34
Sub-Standard Assets				
a) Total Outstanding Amount	1.47	0.22	0.15	0.13
b) Provisions made	1.47	0.22	0.15	0.13
Doubtful Assets-Category-I				
a) Total Outstanding Amount	0.23	5.44	0.12	0.00
b) Provisions made	0.23	5.44	0.12	0.00
Doubtful Assets-Category-II				
a) Total Outstanding Amount	5.50	0.10	0	0
b) Provisions made	5.50	0.10	0	0
Doubtful Assets-Category-III				
a) Total Outstanding Amount	0	0	0	0.05
b) Provisions made	0	0	0	0.05
Loss Assets				
a) Total Outstanding Amount	0	0	0	0
b) Provisions made	0	0	0	0
TOTAL				
a) Total Outstanding Amount	369.26	337.36	158.68	137.19
b) Provisions made	14.98	13.16	1.55	1.47

Draw Down from Reserves

During Financial Year there was no draw down from Reserves.

Concentration of Public Deposits, Advances, Exposures and NPAs

Concentration of Public Deposits

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	69.71	58.81
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	98.78%	98.94%

Concentration of Loans & Advances

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	76.91	79.78
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	14.57%	16.81%

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

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers/customers	76.91	79.78
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/customers	14.57%	16.81%

Concentration of NPAs

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	7.22	5.83

Sector-wise NPAs

(₹ in Crore)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A. Housings Loans:		
1. Individuals		0.70
2. Builders/Project Loans		19.92
3. Corporates		0
4. Others (specify)		0
B. Non- Housings Loans:		
1. Individuals		0.18
2. Builders/Project Loans		0
3. Corporates		0
4. Others (specify)		0

Movements of NPAs

(₹ in Crore)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	0.00	0.00
(ii) Movement of NPAs (Gross)		
a) Opening balance	5.89	11.55
b) Additions during the year	1.68	0.35
c) Reductions during the year	0.10	6.01
d) Closing balance	7.47	5.89
(iii) Movement of NPAs(Net)		
a) Opening balance	0	2.54
b) Additions during the year	0	0
c) Reductions during the year	0	2.54
d) Closing balance	0	0
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	5.89	9.01
b) Provisions made during the year	1.58	0
c) Write-off/write-back of excess provisions	0	3.12
d) Closing balance	7.47	5.89

Overseas Assets

The company did not have any overseas assets at any point of time during the year.

Off-balance Sheet SPVs sponsored

There were no Off- balance Sheet SPVs sponsored during the year.

Disclosure of Complaints

Customers Complaints

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	0	0
b) No. of complaints received during the year	2	1
c) No. of complaints redressed during the year	2	1
d) No. of complaints pending at the end to the year	0	0



MANIPAL HOUSING FINANCE SYNDICATE LIMITED

REGISTERED OFFICE: MANIPAL HOUSE, MANIPAL – 576 104 (UDUPI)

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)
Registered Address
E-mail Id Folio No./Client ID DP ID
I/We, being the member(s) of shares of the above named Company. Hereby appoint
Name : E-mail Id:
Address:
Signature, or failing him
Name : E-mail Id:
Address:
Signature, or failing him
Name : E-mail Id:
Address:
Signature, or failing him
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the company, to be held on Friday, the 12th September, 2025 at 11.00 a.m. at Regd. Office: "Manipal House", Manipal – 576 104 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution(s)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2025.		
2.	To confirm the payment of interim dividend on Cumulative Redeemable Preference Shares.		
3.	To declare dividend on the Equity Shares for the Financial Year ended March 31, 2025.		
4.	To appoint a Director in place of Smt. Vijayalaxmi N Pai, (DIN: 00101662) who retires by rotation, and being eligible offers herself for reappointment.		
5.	Appointment of Mr. Nagesh Anant Shanbhag as Non-Executive Non-Independent Director.		
6.	Re-designation of Mr. Kalsank Gokuldas Pai as Independent Director.		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2025

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
across Revenue Stamp

Note: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2) The proxy need not be a member of the company.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

39th Annual General Meeting on Friday, the 12th September, 2025 at 11.00 a.m.

Full name of the members attending

(In block capitals)

Ledger Folio No./Client ID No. No. of shares held:

Name of Proxy

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 39th Annual General Meeting of the Company held on Friday, the 12th September, 2025 at 11.00 a.m.

(Member's/Proxy's Signature)

Note: 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3) A Proxy need not be a member of the Company.
4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

Printed Matter – BOOK-POST

39th
ANNUAL REPORT, 2024–25

If undelivered, please return to:

Manipal Housing Finance Syndicate Ltd.
Registered Office : Manipal House
MANIPAL – 576 104