(This Key Information Document is neither a prospectus nor a statement in lieu of a prospectus)

No.: 1 Date: November 26, 2024

Addressed to: Credavenue Securities Private Limited

KEY INFORMATION DOCUMENT
(FOR PRIVATE PLACEMENT)

by

The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

A public limited company incorporated under the Companies Act, 1956

Corporate Identification Number (CIN): L65910GJ1995PLC026064 **Permanent Account Number (PAN):** AABCM0640A **Date of Incorporation:** May 25, 1995 **Place of Incorporation:** Ahmedabad, India **Registration/identification number issued by the relevant regulator:** B.01.00241 by the Reserve Bank of India **Website:** www.mas.co.in	**Registered Office:** 6 Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road Ahmedabad-09. **Corporate Office:** 6 Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road Ahmedabad-09 **Telephone No.:** 079-41106500 **Email:** mfsl@mas.co.in

Key information document for issue of Debentures on a private placement basis under Schedule I of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time in relation to the issue of up to 10,000 (ten thousand) rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of INR 1,00,000 (Indian Rupees One Lakh) and an aggregate nominal value of INR 100,00,00,000 (Indian Rupees One Hundred Crore) ("Debentures" or "NCDs") on a private placement basis for cash at par on a fully paid-up basis. Certain details of the Debentures are as follows:

(a) **Rating**: The Debentures are rated as "CARE AA-; Stable" by CARE Ratings Limited pursuant to the letter dated November 14, 2024 and the rating rationale dated October 3, 2024. Please refer to Annexure I below for the rating letter, press release and rating rationale. No other credit ratings have been obtained for the purposes of this Issue.

(b) **Listing**: The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) of the BSE Limited within the time period prescribed under the SEBI Listing Timelines Requirements (as defined below).

(c) **Eligible Investors**: Please refer Section 9.7 below.

(d) **Coupon related details**: The coupon rate is 8.45% (eight decimal four five percent) per annum, payable monthly. Please refer Section 8.1 below for details about coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount.

(e) **Underwriting**: Not Applicable.

(f) **Details of Electronic Book Mechanism**: Please refer Section 9 below.

ISSUE SCHEDULE

Issue Opening Date	Issue Closing Date	Date of earliest closing of the issue, if any	Deemed Date of Allotment
November 27, 2024	November 27, 2024	N.A.	November 28, 2024

KEY OFFICERS OF THE ISSUER

Compliance Officer	Company Secretary	Chief Financial Officer	Promoters
Riddhi Bhayani **Tel**: 079-41106638 **Email**: Riddhi_Bhayani@mas.co.in	**Riddhi Bhayani** **Tel**: 079-41106638 **Email**: Riddhi_Bhayani@mas.co.in	**Mr. Ankit Jain** **Tel**: 079-41106682 **Email**: ankit_jain@mas.co.in	Please refer Section 3 of this KID. **Tel**: 079-41106501 **Email**: mfsl@mas.co.in

DETAILS OF STAKEHOLDERS

Debenture Trustee	Registrar and Transfer Agent	Credit Rating Agency	Statutory Auditors
Catalyst Trusteeship Limited **Address**: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038 **Tel**: 022-49220555 | **Fax**: N.A. **Contact person:** Deesha Trivedi **E-mail:** ComplianceCTL-Mumbai@ctltrustee.com	**Link Intime India Private Ltd.** **Address**: C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 **Tel**: 079 26465179 **Fax**: N.A. **Website**: www.linkintime.co.in **Email**: nilesh.dalwadi@linkintime.co.in	**CARE Ratings Limited** **Address**: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022. **Tel**: 022- 6837 4400 **Contact Person**: Janki Aswani **Email**:janki.aswani@careratings.com	**M/s Sorab S. Engineer & Co. Chartered Accountants** **Address**: 804-805, Sakar – IX, Beside City Gold, Ashram Road, Ahmedabad – 380 009 **Tel:** (079) 48006782 **Contact Person**: CA Shreyas Chokshi **Email**: sserahm@sseco.in **Website**: www.sseco.in

BACKGROUND

This Key Information Document (as defined below) is related to the Debentures to be issued by MAS Financial Services Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains information and disclosures supplemental to those set out in the General Information Document (as defined below), as are required for the purpose of issuing of the Debentures. The issue of the Debentures described under this Key Information Document has been authorised by the Issuer through the shareholders resolutions, each dated August 24, 2022, Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, and the resolution dated November 12, 2024 of the Finance Committee of the board of directors of the Issuer read with the resolution dated April 24, 2024 of the board of directors of the Issuer and the memorandum of association and articles of association of the Issuer.

Pursuant to the special resolution dated August 24, 2022 of the shareholders of the Issuer, the Issuer has been authorised to raise funds upon such terms and conditions as the Board may think fit so long as the outstanding amounts do not exceed INR 10,000,00,00,000 (Indian Rupees Ten Thousand Crore). The present issue of Debentures in terms of this Key Information Document is within the overall powers of the Board as per the above shareholder resolution(s).

Issuer's Absolute Responsibility
The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Key Information Document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Key Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Key Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

DISCLAIMERS

- This Key Information Document contains no unsubstantiated forward-looking statements. To the extent there are any unsubstantiated forward-looking statements under this Key Information Document, such statements shall be considered to be null and void.

- This issue document does not include any statement purporting to be made by an expert other than if the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given their written consent to this issue of this Key Information Document and has not withdrawn such consent before the delivery of a copy of this Key Information Document to the Registrar (as applicable) for registration.

- Various disclosures set out in this Key Information Document have been linked to the disclosures set out in the General Information Memorandum. There are no changes to the disclosures which have been linked to the disclosures set out in the General Information Document, and in the case of any conflict/difference between the provisions of the General Information Document and this Key Information Document, the provisions of this Key Information Document shall be applicable to this issuance of Debentures.

- This Issue does not form part of non-equity regulatory capital for the purposes of Chapter V of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Chapter XIII (*Issuance, Listing and* Trading *Non-Equity Regulatory Capital*) of the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*". The face value of each debt security issued on private placement basis under this Issue is INR 1,00,000 (Indian Rupees One Lakh).

- As of the date of the General Information Document, the audited financial results/numbers for the Financial Year ended March 31, 2024 were not presented for approval/adoption by the shareholders of the Issuer in their annual general meeting. However, as of the date of this Key Information Document, the audited financial results/numbers for the Financial Year ended March 31, 2024 have been approved/adopted by the shareholders of the Issuer in their annual general meeting without any changes/observations. In view of this, all references in the General Information Document to the audited financial results/numbers for the Financial

Year ended March 31, 2024 shall, for the purposes of this Key Information Document, be construed as a reference to audited financial statements for the Financial Year ended March 31, 2024.

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Key Information Document.

S. NO.	TERM	DEFINITION
1.	Act/Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
2.	Allot/Allotment/Allotted	means the allotment of the Debentures pursuant to this Issue.
3.	Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes the Indian Accounting Standards (IND-AS).
4.	Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
5.	Applicant	means a person who has submitted a completed Application Form to the Issuer, and "Applicants" shall be construed accordingly.
6.	Application Form	means the application form to apply for subscription to the Debentures, which is in the form annexed to this Key Information Document and marked as **Annexure III**.
7.	Application Money	means the subscription amounts paid by the Applicant at the time of submitting the Application Form.
8.	Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.
9.	Assets Under Management	means the aggregate of the Client Loans on the balance sheet of the Issuer.
10.	Beneficial Owners	means the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners, and "Beneficial Owner" shall be construed accordingly.
11.	Board / Board of Directors	means the board of directors of the Issuer.
12.	BSE	means BSE Limited.
13.	Business Day	means: (a) subject to (b) and (c) below, means any day on which commercial banks in Mumbai, India are open for business; (b) for the period commencing on the Issue Opening Date until the Issue Closing Date, any day (other than a Saturday, Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881) on which commercial banks in Mumbai, India are open for business; and (c) for the period commencing on the Issue Closing Date until the

S. NO.	TERM	DEFINITION
		listing of the Debentures in accordance with the DTD, any trading day of BSE, other than a Saturday, Sunday or a bank holiday, as specified by SEBI, and "Business Days" shall be construed accordingly.
14.	Capital Adequacy Ratio	means the capital adequacy ratio determined in accordance with the circulars/directions prescribed by the RBI (including the NBFC Directions).
15.	CDSL	means Central Depository Services (India) Limited.
16.	CERSAI	means the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
17.	Change of Control	means the Identified Promoters of the Issuer (as on the Effective Date) ceasing to: (a) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (i) cast, or control the casting of, more than 20% (twenty percent) of the shareholding (on a fully diluted basis) of the Issuer; or (ii) appoint or remove all or majority of the directors or the "key managerial personnel" (as defined in the Companies Act) of the Issuer, OR (b) hold at least 51% (fifty one percent) of the shareholding (on a fully diluted basis) of the Issuer.
18.	Change of Control Event	means any event, including without limitation, the issuance of any shares (whether equity or convertible into equity), or any transfer, sale, creation of security interest (including pledge) or encumbrance over any shares (whether equity or convertible into equity), which by itself, or together with other actions (including the conversion of any convertible instruments into equity shares) may result in a Change of Control.
19.	Client Loan	means each loan disbursed by the Issuer as a lender, and "Client Loans" shall be construed accordingly.
20.	Company/Issuer/MAS Financial	means MAS Financial Services Limited.
21.	Company Rating	has the meaning given to it in the Section 8.1 (*Summary Terms*) of this Key Information Document.
22.	Conditions Precedent	means the conditions precedent set out in Section 8.1 (*Summary Terms*) of this Key Information Document.
23.	Conditions Subsequent	means the conditions subsequent set out in Section 8.1 (*Summary Terms*) of this Key Information Document.

S. NO.	TERM	DEFINITION
24.	Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
25.	Control	has the meaning given to it in the Companies Act.
26.	Debentures/NCDs	means 10,000 (ten thousand) rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) and an aggregate nominal value of INR 100,00,00,000 (Indian Rupees One Hundred Crore).
27.	Debenture Holders / Investors	means each person who is: (a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders. Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository(ies) from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail, and "Debenture Holder" or "Investor" shall be construed accordingly.
28.	Debenture Trust Deed/DTD	means the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia* setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
29.	Debenture Trustee	means Catalyst Trusteeship Limited.
30.	Debenture Trustee Agreement	means the debenture trustee agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
31.	Debenture Trustees Regulations/ SEBI Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended, modified, supplemented or restated from time to time.
32.	Debt Disclosure Documents	means, collectively, the PPOA, the General Information Document, and this Key Information Document, and "Debt Disclosure Document" means any one of them.
33.	Debt Listing Regulations/ SEBI Debt Listing Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified, supplemented or restated from time to time.
34.	Deed of Hypothecation	has the meaning given to it in the Section 8.1 (*Summary Terms*) of this Key Information Document.

S. NO.	TERM	DEFINITION
35.	Deemed Date of Allotment	means November 28, 2024.
36.	Demat	means dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
37.	Depositories Act	means the Depositories Act, 1996, as amended from time to time.
38.	Depositories	means the depositories with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL, and "Depository" means any one of them.
39.	Depository Participant / DP	means a depository participant as defined under the Depositories Act.
40.	Director(s)	means the director(s) of the Issuer.
41.	DP ID	means Depository Participant Identification Number.
42.	DRR	means the Debenture Redemption Reserve.
43.	Due Dates	means, collectively, the Interest Payment Dates, the Final Redemption Date, and all other dates on which any interest, additional interest or liquidated damages and/or any other amounts, are due and payable, and "Due Date" shall be construed accordingly.
44.	Early Redemption Event	means the occurrence of any one or more of the following events: (a) the rating of the Debentures is downgraded to "CARE BBB+" or below; (b) the Issuer fails to create and/or perfect the Transaction Security within the timelines prescribed in the Transaction Documents and/or in the manner prescribed in the Transaction Documents; and/or (c) any other such event as may be agreed between the Issuer and the Debenture Holders.
45.	EBP Platform	has the meaning given to it under the EBP Requirements.
46.	Electronic Book Provider / EBP	has the meaning given to it under the EBP Requirements.
47.	Effective Date	means the date of execution of the DTD.
48.	EFT	means Electronic Fund Transfer
49.	Eligible Investors	has the meaning given to it in Section 9.7.
50.	Equity	means, in respect of any person, (a) the aggregate of the issued and paid up equity shares of such person, all compulsorily convertible instruments and preference share capital of such person, and all reserves (excluding revaluation reserves) of such person, less (b) the aggregate of any dividend declared, any deferred tax liability, deferred tax assets, intangibles (including but not restricted to brand valuation, goodwill, etc.) as per the latest audited financial statements of such person.

S. NO.	TERM	DEFINITION
51.	Events of Default	means the events set out in Section 8.2.6.2 (*Events of Default*), and "Event of Default" shall be construed accordingly.
52.	Final Redemption Date	means the date occurring on the expiry of a period of 18 (eighteen) months from the Deemed Date of Allotment, being May 28, 2026.
53.	Final Settlement Date	means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
54.	Financial Indebtedness	means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee; (i) any obligation under any put option in respect of any securities; (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
55.	Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.

S. NO.	TERM	DEFINITION
56.	General Information Document/GID	means the general information document dated June 3, 2024 issued by the Issuer for subscription to non-convertible securities to be issued by the Issuer (including the Debentures) on a private placement basis in accordance with the Debt Listing Regulations.
57.	Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organisation, established under any Applicable Law, and "Governmental Authorities" shall be construed accordingly.
58.	Gross Loan Portfolio	means the outstanding principal amounts of all Client Loans originated by the Issuer on its own books and the Off Balance Sheet Portfolio.
59.	Gross NPA	means, in respect of the Issuer's entire on-balance sheet assets under management at any point of time, the outstanding principal value of the Gross Loan Portfolio of the Issuer that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 (ninety) days or more, including restructured loans but excluding loans that have been written off by the Issuer.
60.	Hypothecated Assets	has the meaning given to it in the Section 8.1 (*Summary Terms*) of this Key Information Document.
61.	ICCL	means the Indian Clearing Corporation Limited.
62.	Identified Promoters	means, collectively, all the persons identified as "Promoters" in the filings made by the Issuer on BSE as of September 30, 2024.
63.	INR/Rs.	means Indian Rupees.
64.	Interest Payment Dates	means the dates on which interest is payable on the Debentures, and "Interest Payment Date" shall be construed accordingly. The interest payment dates are set out in Annexure IV below.
65.	Interest Rate	means 8.45% (eight decimal four five percent) per annum, payable monthly.
66.	Issue	means this issue of the Debentures.
67.	Issue Closing Date	means November 27, 2024.
68.	Issue Opening Date	means November 27, 2024.
69.	Key Information Document/KID	means this key information document which sets out the terms and conditions for the issue and offer of the Debentures by the Issuer on a private placement basis and contains the relevant information in this respect.
70.	Listed NCDs Master Circular	means the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as amended, modified, supplemented or restated from time to time.

S. NO.	TERM	DEFINITION
71.	Listing Period	has the meaning given to it in Section 8.1 (*Summary Terms*).
72.	LODR Regulations/SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, supplemented or restated from time to time.
73.	Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 51% (fifty one percent) of the value of the Outstanding Principal Amounts of the Debentures. PROVIDED THAT for the purposes of Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular, the Majority Debenture Holders shall, subject to the minimum requirements prescribed under Applicable Law, be determined as 75% (seventy five percent) of the Debenture Holders (by value) and 60% (sixty percent) of the Debenture Holders (by number).
74.	Majority Resolution	means a resolution approved by the Majority Debenture Holders.
75.	Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused or could reasonably be expected to cause, as of any date of determination, a material and adverse effect: (a) on the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document; or (b) on the ability of the Issuer to perform its obligations under the Transaction Documents; or (c) on the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
76.	N.A.	Not Applicable
77.	NBFC	means non-banking financial company.
78.	NBFC Directions	means the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023, read together with the RBI's circular no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on "*Implementation of Indian Accounting Standards*" and the RBI's circular no. DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021 on "*Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications*", each as amended, modified, supplemented or restated from time to time.
79.	Net NPA	means, in respect of the Issuer's entire on-balance sheet assets under management, the Gross NPA excluding all provisions created against standard assets, sub-standard assets, doubtful assets and loss assets.
80.	Net Worth	(a) in respect of any body corporate that is a non-banking financial company, means the net worth of such body corporate determined in accordance with the Companies Act, the NBFC Directions and the Applicable Accounting Standards; and (b) in respect of any body corporate that is not a non-banking financial

S. NO.	TERM	DEFINITION
		company, has the meaning given to it in the Companies Act.
81.	NSDL	means National Securities Depository Limited.
82.	Off Balance Sheet Portfolio	means the outstanding principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions otherwise sold off in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever including Client Loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer's own book, excluding interest receivables and accrued interest.
83.	Outstanding Amounts	means, at any date, the Outstanding Principal Amounts together with any interest, additional interest, costs, fees, charges, and other amounts payable by the Issuer in respect of the Debentures.
84.	Outstanding Principal Amounts	means, at any date, the principal amounts outstanding under the Debentures.
85.	PAN	means Permanent Account Number
86.	Payment Default	means the occurrence of the event of default set out in Section 8.2.6.2(a) (*Payment Defaults*).
87.	Private Placement Offer cum Application Letter/PPOA	means the private placement offer and application letter dated on or about the date of this KID issued/to be issued by the Issuer for subscription to the Debentures on a private placement basis in accordance with Section 42 of the Companies Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
88.	Promoter	has the meaning given to it in the Debt Listing Regulations.
89.	Promoter Group	has the meaning given to it in the Debt Listing Regulations.
90.	Purpose	has the meaning given to it in Section 8.1 (*Summary Terms*) of this Key Information Document.
91.	Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
92.	Rating	means the credit rating for the Debentures from the Rating Agency, being, "CARE AA-; Stable" affirmed/assigned by the Rating Agency through its letter dated November 14, 2024.
93.	Rating Agency	means CARE Ratings Limited.
94.	RBI	means the Reserve Bank of India.
95.	Record Date	means the date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (fifteen) calendar days prior to any Due Date.
96.	Recovery Expense Fund/REF	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular.

S. NO.	TERM	DEFINITION
97.	Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depositories.
98.	Register of Debenture Holders	means the register of debenture holders maintained by the Issuer in accordance with Section 88 of the Companies Act.
99.	R&T Agent/Registrar	means the registrar and transfer agent appointed for the issue of Debentures, being Link Intime India Private Limited.
100.	ROC	means the jurisdictional registrar of companies.
101.	RTGS	means Real Time Gross Settlement.
102.	SEBI	means the Securities and Exchange Board of India.
103.	SEBI Debenture Trustees Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 on "*Master Circular for Debenture Trustees*", as amended, modified, supplemented, or restated from time to time.
104.	SEBI EBP Requirements/ EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI (*Electronic Book Provider platform*) of the Listed NCDs Master Circular, and the operational guidelines issued by the relevant electronic book provider, each as amended, modified, supplemented, or restated from time to time.
105.	SEBI Listed Debentures Circulars	means, collectively, the Listed NCDs Master Circular, the SEBI Debenture Trustees Master Circular, the SEBI Debt Listing Regulations, (to the extent applicable) the SEBI LODR Master Circular, and (to the extent applicable) the LODR Regulations.
106.	SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Master Circular, read with, to the extent applicable, the SEBI EBP Requirements.
107.	SEBI LODR Master Circular	means the master circular issued by SEBI bearing reference number SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 on "*Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities*", as amended, modified, supplemented, or restated from time to time
108.	Secured Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, the interest, default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.
109.	Security Cover	has the meaning given to it in the Section 8.1 (*Summary Terms*) of this Key Information Document.

S. NO.	TERM	DEFINITION
110.	Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.
111.	Special Resolution	means resolution approved by the Special Majority Debenture Holders.
112.	Step Up (Company)	means the payment of interest at the Step Up Rate (Company) in accordance with Section 8.1 (*Summary Terms*) of this Key Information Document.
113.	Step Up Rate (Company)	has the meaning given to it in the Section 8.1 (*Summary Terms*) of this Key Information Document.
114.	Step Up (Debentures)	means the payment of interest at the Step Up Rate (Debentures) in accordance with Section 8.1 (*Summary Terms*) of this Key Information Document.
115.	Step Up Rate (Debentures)	has the meaning given to it in the Section 8.1 (*Summary Terms*) of this Key Information Document.
116.	Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "*Prudential Framework for Resolution of Stressed Assets*", as amended, modified, supplemented or restated from time to time.
117.	Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority.
118.	Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
119.	Tier 1 Capital	has the meaning given to it in the NBFC Directions.
120.	Tier 2 Capital	has the meaning given to it in the NBFC Directions.
121.	Total Assets	means, for any date of determination, the total Assets of the Issuer on such date.
122.	Total Debt	means the aggregate of: (a) all long-term borrowings (including ineligible portion of subordinated debt in form of Tier 2 Capital); (b) any short term borrowings; (c) all current maturities (i.e., all Financial Indebtedness maturing in the next 12 (twelve) months (as on the date of reference/determination)); and (d) any financial guarantee provided in respect of a liability incurred by any other third person.
123.	Transaction Documents	means:

S. NO.	TERM	DEFINITION
		(a) the DTD; (b) the Debenture Trustee Agreement; (c) the Deed of Hypothecation; (d) the Debt Disclosure Documents; (e) the letters issued by, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (f) each tripartite agreement between the Issuer, the Registrar and the relevant Depository; and (g) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders, and "Transaction Document" means any of them.
124.	Transaction Security	has the meaning given to it in the Section 8.1 (*Summary Terms*).
125.	WDM	means the Wholesale Debt Market segment of the BSE
126.	Wilful Defaulter	means an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

Please refer to Section 2.1 of the General Information Document for the disclaimers by the Issuer.

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE KEY INFORMATION DOCUMENT OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

Please refer to Section 2.2 of the General Information Document for the disclaimers in respect of the stock exchanges.

2.3 DISCLAIMER CLAUSE OF RBI

Please refer to Section 2.3 of the General Information Document for the disclaimers in respect of the RBI.

2.4 DISCLAIMER CLAUSE OF SEBI

Please refer to Section 2.4 of the General Information Document for the disclaimers in respect of the SEBI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE KEY INFORMATION DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE KEY INFORMATION DOCUMENT. THE LEAD MANAGER(S) (IF ANY) HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE KEY INFORMATION DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

Please refer to Section 2.5 of the General Information Document for the disclaimers in respect of the jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCY

Please refer to Section 2.6 of the General Information Document for the disclaimers in respect of the Rating Agency.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

Please refer to Section 2.7 of the General Information Document for the disclaimers in respect of issuances of the Debentures in dematerialised form.

2.8 DISCLAIMER IN RESPECT OF THE ARRANGER

The Issuer has authorised CredAvenue Securities Private Limited (the "**Arranger**") to distribute/deliver this KID on behalf of the Issuer to Eligible Investors in connection with the Debentures proposed to be issued by the Issuer.

The Issuer has prepared this KID and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Debentures. All the information contained in this KID has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger for the accuracy, completeness, reliability, correctness or fairness of this KID or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this KID and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this KID or any information or errors contained therein or any omissions therefrom. By accepting this KID, the investor agrees that the Arranger will not have any such liability.

It is hereby declared that the Issuer has exercised due diligence to ensure complete compliance of prescribed disclosure norms in this KID. Each person receiving this KID acknowledges that such person has not relied on the Arranger, nor any person affiliated with the Arranger, in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the merits and risks involved in investing in the Debentures. The Arranger: (a) has no obligations of any kind to any invited Investor under or in connection with any Transaction Documents; (b) is not acting as trustee or fiduciary for the investors or any other person; and (c) is under no obligation to conduct any "know your customer" or other procedures in relation to any person on behalf of any investor. Neither the Arranger or its respective officers, directors, employees are responsible for: (a) the adequacy, accuracy, completeness and/ or use of any information (whether oral or written) supplied by the Issuer or any other person in or in connection with any Transaction Document including this KID; (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Transaction Document; or (c) any determination as to whether any information provided or to be provided to any finance party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

The role of the Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this KID as prepared by the Issuer. The Arranger has neither scrutinized nor vetted nor has it done any due-diligence for verification of the contents of this KID. The Arranger is authorized to deliver copies of this KID on behalf of the Issuer to Eligible Investors which are considering participation in the Issue and shall use this KID for the purpose of soliciting subscriptions from Eligible Investors in the Debentures to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the use of this KID by the Arranger should not in any way be deemed or construed to mean that the KID has been prepared, cleared, approved or vetted by the Arranger; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this KID; nor does it take responsibility for the financial or other soundness of this Issuer, its management or any scheme or project of the Issuer. The Arranger or any of their directors, employees, do not accept any responsibility and/or liability for any expenses paid arising of whatever nature and extent in connection with the use of any of the information contained in this KID.

The investors should carefully read and retain this KID. However, the investors are not to construe the contents of this KID as investment, legal, accounting, regulatory or tax advice, and the investors should consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures. This KID is not intended to be the basis of any credit analysis or other evaluation and should not be considered as a recommendation by the Arranger or any other person that any recipient participates in the Issue or advice of any sort. It is understood that each recipient of this KID will perform its own independent investigation and credit analysis of the proposed financing and the business, operations, financial condition, prospects, creditworthiness, status and affairs of the Issuer based on such information and independent investigation as it deems relevant or appropriate and without reliance on the Arranger or on this KID.

SECTION 3: DETAILS OF PROMOTERS OF THE ISSUER

Please refer to Section 3 of the General Information Document for the details of the promoters of the Issuer.

SECTION 4: RISK FACTORS

Please refer to Section 4 of the General Information Document for the risk factors in respect of the issuance of Debentures.

SECTION 5: [INTENTIONALLY LEFT BLANK]

SECTION 6: REGULATORY DISCLOSURES

This Key Information Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this Section 6, the Issuer has set out the details required as per the SEBI Debt Listing Regulations (including Schedule I thereof).

6.1 **The Issuer shall file the following documents along with the listing application to the stock exchange and with the Debenture Trustee**

Along with this Key Information Document and the corporate authorisations for this issuance of the Debentures, the documents set out in Section 6.1 of the General Information Document have been / shall be submitted along with the listing application to the BSE and with the Debenture Trustee.

6.2 **The following documents have been / shall be submitted to BSE at the time of filing the draft of this Key Information Document:**

Due diligence certificates from the Debenture Trustee as per the format specified in the SEBI Debenture Trustees Master Circular and in the SEBI Debt Listing Regulations.

6.3 **Details of credit rating along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.**

CARE Ratings Limited has affirmed/assigned a rating of "CARE AA-; Stable" through its letter dated November 14, 2024 for the Debentures to be issued in the proposed Issue. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release are provided in Annexure I of this Key Information Document.

The Issuer hereby declares that the rating is and shall be valid as on the date of issuance and listing of any Debentures.

6.4 **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being or has been created, as specified by the Board:**

The Debentures are proposed to be listed on the WDM segment of the BSE within the time period prescribed under the SEBI Listing Timelines Requirements. The Debentures are not proposed to be listed on more than one stock exchange.

The Issuer has obtained the in-principle approval for the listing of the debentures in accordance with the General Information Document from BSE, and the same is annexed in Annexure III of the General Information Document.

The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The Recovery Expense Fund shall be created by the Issuer with BSE in accordance with Chapter IV of the SEBI Debenture Trustees Master Circular.

6.5 **Issue Schedule:**

PARTICULARS	DATE
Issue Opening Date	November 27, 2024
Issue Closing Date	November 27, 2024
Pay In Date	November 28, 2024
Deemed Date of Allotment	November 28, 2024

6.6 **Name, logo, addresses, website URL, email address, telephone number and contact person of specific entities in relation to the Issue:**

(a) **Legal Counsel**

Name	N.A. The Issuer has been advised by its in-house legal and compliance team.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

(b) **Merchant Banker and co-managers to the issues**

Name	N.A.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

(c) **Guarantor**

Name	N.A.
Logo	N.A.
Address	N.A.
Website	N.A.
E-mail address	N.A.
Telephone Number	N.A.
Contact Person Details	N.A.

(d) **Arrangers**

Name	CredAvenue Securities Private Limited
Logo	aspero A Yubi Group Company
Address	12th floor, Credavenue Securities Private Limited, Prestige Polygon, No.471, Annasalai, Nandanam, Chennai, Tamil Nadu, 600035
Website	https://www.aspero.in/
E-mail address	aspero_ops@yubisecurities.com
Telephone Number	044-4091 2302
Contact Person Details	Mr. Irfan Shaik Mohammed Chief Business Officer - CSPL - Aspero - CSPL

(e) **Debenture Trustee to the Issue**

Name	Catalyst Trusteeship Limited

Logo	CATALYST Believe in yourself... Trust us!
Address	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune, Maharashtra - 411038, India
Website	www.catalysttrustee.com
E-mail address	deesha.trivedi@ctltrustee.com
Telephone Number	022-49220555
Contact Person Details	Ms. Deesha Trivedi

(f) **Credit Rating Agency for the Issue**

Name	CARE Ratings Limited
Logo	CARE Ratings Professional Risk Opinion
Address	4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.
Website	www.careratings.com
E-mail address	janki.aswani@careratings.com
Telephone Number	022- 6837 4400
Contact Person Details	Ms. Janki Aswani

(g) **Registrar the Issue**

Name	Link Intime India Pvt. Ltd.
Logo	LINK Intime
Address	C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra - 400083, India
Website	www.linkintime.co.in
E-mail address	nilesh.dalwadi@linkintime.co.in
Telephone Number	079 26465179
Contact Person Details	Mr. Nilesh Dalwadi

(h) **Statutory Auditors**

Name	Sorab S. Engineer & Co.
Logo	SORAB S. ENGINEER & Co. Chartered Accountants
Peer review certificate no.	014731
Address	804-805, Sakar-IX, Beside City Gold, Ashram Road, Ahmedabad-380009
Website	www.sseco.in
E-mail address	sbchokshi@sseco.in
Telephone Number	079 48006782
Contact Person Details	CA Chokshi Shreyas B.

6.7 **About the Issuer**

The following details pertaining to the issuer:

(a) **Overview and a brief summary of the business activities of the Issuer**

Please refer to Section 6.7 of the General Information Document for overview and a brief summary of the business activities of the Issuer.

(b) **Structure of the group:**

Please refer to Section 6.7 of the General Information Document for the structure of the group.

(c) **A brief summary of the business activities of the subsidiaries of the issuer:**

Please refer to Section 6.7 of the General Information Document for a brief summary of the business activities of the subsidiaries of the Issuer.

(d) **Details of branches or units where the issuer carries on its business activities, if any may be provided in the form of a static Quick Response (QR) code and web link.**

If the issuer provides the details of branches or units in the form of a static QR code and web link, the details of the said branches or units shall be provided to the debenture trustee as well and kept available for inspection as specified in Section 6.37(g) below.

A checklist item in the 'Security and Covenant Monitoring System' shall also be included for providing information about branches or units of the issuer to the debenture trustee and confirmation of the same by the debenture trustee:

The details of branches or units where the issuer carries on its business activities of the Issuer as of September 30, 2024 are as follows:

S. No.	Centre	State	Address
1	Agar	Madhya Pradesh	F-31, 1St Floor,203 City Center Mall,Chhawani Naka Square, Agar-465441
2	Ahmedabad - SME	Gujarat	1206- Shilp Zaveri, At Shyamal Cross Road - 380015
3	Ahmedabad HO	Gujarat	6 Ground Floor, Narayan Chambers, B/H Patang Hotel, Nehru Bridge Corner, Ashram Road Ahmedabad 380009
4	Ahmednagar	Maharashtra	Office 110,Adish Plaza,Opp. Daule Hospital,Above Icici Bank,Nagar Manmad Road,Savedi,Ahmedanagar.414003
5	Ajmer	Rajasthan	Above Punjab Fitness ,P.No 1298/32, First Floor, Middle Of Parsi Mandir And Convent School ,Alwar Gate, Nasirabad Road,Ajmer (Raj)-305001,
6	Akola	Maharashtra	2Nd Floor, Vasanat Sankul, Ratanlal Polt Square, Akola. 444005
7	Alwar	Rajasthan	2Nd Floor, 221, Wonder Mall, Near. Company Bagh, Khdar Ganj, Alwar, Rajasthan - 301001
8	Amravati	Maharashtra	Office No 202, nNd Floor, Tank Plaza, Ambadevi Road, Near Idbi Bank, Amravati - 444601
9	Amreli	Gujarat	1St Floor, Ramdev Complex, Opp. Khatari Hostel, Station Road, Amreli 365601
10	Anand	Gujarat	B-306, 2Nd Floor, Sanket Tower, Grid Chokdi, Anand 385565
11	Andheri - SME	Maharashtra	3D1, Gundecha Onclave, 3Rd Floor, D- Wing, Kherani Road, Sakinaka, Mumbai-400072
12	Ashta	Madhya Pradesh	1st Floor Kanchan Market Ashta By Pass Choupati ,Shujalpur Road, Kajikhedi, Indore-Bhopal Highway Ashta (M.P.) Pin 466116
13	Aurangabad	Maharashtra	1st Floor, Raghuveer Chamber Seven Hill, Vidya Nagar Jalna Road Aurangabad : 431009

S. No.	Centre	State	Address
14	Aurangabad - SME	Maharashtra	2Nd Floor Gurupoornima Complex, Sut, Girni Choke, Garkheda, Shivaji Nagar Road, Aurangabad-4310012
15	Balesar	Rajasthan	First Floor, Opp. Balesar Police Thana, New Bus Stand, Jaisalmer Highway, Balesar, Dist Jodhpur, Rajasthan.-342023
16	Balotra	Rajasthan	1 St Floor, Godara Market, Above Idfc Bank, Near Indusind Bank Ltd, Jodhpur Road, Balotara, Rajasthan-344022
17	Bangalore	Karnataka	Office no. 201-202, 2nd floor, Money Terrace, Kengal Hanumanthaiah road, Bangalore - 560057
18	Banswara	Rajasthan	Narmda Shopping Complex, 1St Floor, Mohan Colony, Opp, Hdfc Bank, Banswara, Rajasthan- 327001
19	Bardoli	Gujarat	Shop No:3, Ma Bhavani Complex,Gandhi Road,Bardoli, Dist Surat - 394601
20	Barmer	Rajasthan	Office 2Nd Floor, 06/A M Sethiya Complex, Nr. Kailash Internation Hotel, Rajasthan- 344001
21	Barnagar	Madhya Pradesh	Sangam Chourha Badnawar Road – Barnagar , Distt - Ujjain -Mp -Pin -456771.
22	Vadodara Regional	Gujarat	205, Imperial Heights, Nr. Akshar Chowk, Nr. Atladra Railway station, O P Road, Vadodara - 390012
23	Vadodara - SME	Gujarat	Office No SF 206, Kanha Capital, B/H, B N Chambers, Alkapuri, Vadodara - 390007
24	Bavla	Gujarat	Office No. 101, 1St Floor Chawla Elegance Opp. Vaishaly Soc., N/H. Highway 8/A Bavla : 382220
25	Betul	Madhya Pradesh	College Road, Jawahar Ward No. 26 Ganj Betul : 460001
26	Bhandara	Maharashtra	Patel Building, Opp. Ganesh Vidhyalaya, Rajiv Gandhi Square, Bhandara 441904.
27	Bhankrota	Rajasthan	1St Floor, Kamal Plaza, Ajmer Road, Opp. Icici Bank, Bhankrota, Jaipur. Pin – 302026
28	Bharuch	Gujarat	212 / 213, Aditya Complex, Near Kasak Fuvara, Near Gharda Ghar, Bharuch 392001
29	Bhavnagar	Gujarat	327, Madhav Darshan Complex, Vaghwadi Road, Takhteshwar Mahadev Road, Bhavnagar 364001
30	Bhilwara	Rajasthan	Shop No 115, 1st floor, Surbhi Square Nr Gayatri Ashram Mandir Ajmer Choraha Bhilwara Road Bhilwara Rajasthan - 311001
31	Bhilwara - SME	Rajasthan	431, 4Th Floor, Govindram Commercial Hub, Gandhinagar Pur Road, Old Rto Road, Bhilwara, Rajasthan- 311001
32	Bhinmal	Rajasthan	1St Floor, Krishna Complex, Opp.Lic Office, Raniwara Road, Bhinmal, Rajasthan -343029
33	Bhopal	Madhya Pradesh	23, First Floor, Zone-01, MP Nagar, Near Hotel Aditya Palace, B/H, Manohar Dairy, Bhopal, (Mp) - 462003
34	Bhopal - SME	Madhya Pradesh	2nd Floor, Manya Arcade Plot No.30, Zone 2, Mp Nagar, Railway Tracke Said, Bhopal - Mp - 462011
35	Bhuj	Gujarat	Office No C/9 1St Floor, Katira Complex, Opp Vbc Samaj Wadi, Bhuj - 370001
36	Bikaner	Rajasthan	3rd floor, GK tower, Ambedkar circle, Bikaner
37	Bodeli	Gujarat	14, 1st Floor, B.K. Heights, Near. B.K. Petrol Pump, Chachak Road, Bodeli, Dist – Chhota Udepur 391135
38	Botad	Gujarat	Shop no. 101 - 102 - Shree Hari, Opp. Mahindra Showroom, Paliyad road, Botad
39	Bundi	Rajasthan	Nr. Noval rice mill, Sukir road, Bundi - 323001
40	Chennai - SME	Tamilnadu	4Th Floor, Vairam Complex 26RV+44H, Sir Theyagaraya Road T Nagar Chennai : 600017
41	Chennai	Tamilnadu	Office No. 41, (15/3), Velachery Main Road, Venkatapuram

S. No.	Centre	State	Address
			Saidapet, Chennai- 600015
42	Chhatarpur	Madhya Pradesh	1st Floor, Om Sairam Complex, Behind Of Regency Naugaon Road Chhatarpur- 471001
43	Chhindwara	Madhya Pradesh	Aove Taj Kirana ,Ward No 8, Bhadey Colony ,Loniya Karbal, Behind Petrol Pump ,Chindwara - 480001
44	Chittorgarh	Rajasthan	Office No-1, 2Nd Floor, Gatiyawali Road, Opp Pannadhay, Private Bus Stand, Chittorgarh, Rajasthan-312024
45	Coimbatore	Tamilnadu	45/1, Devashri Dental Clinic, Sthyamoorthy Road, Ramnagar, Coimbatore, Pin Code: 641009
46	Dahod	Gujarat	Office No-2, Jay Mataji Society, Above Vadodara Guj Gramin Bank, Godhra Road, Dahod-
47	Dahod CV	Gujarat	Ground Floor, Office No-8, Indore- Ahmedabad Highway, Sunrise Arcade Complex, Opp. Muvaliya Farm, Dahod - 329151
48	Dausa	Rajasthan	1St Floor ,Opp, P.G Collage, Ashok Nagar, Sector -2 Dausa, Rajasthan-303303
49	Deesa	Gujarat	12/B, Shree Amarnath Complex Nr. Krushi Vigyan Kendra, Nr. K.U.K. Nr. Deepak Hotel,Deesa Palanpur Highway Deesa : 385535
50	Deodar	Gujarat	Office No. 16/F, 2Nd Floor, Balaji Plaza, Jetada Chokadi, Bhabhar Highway Road, Deodar-385330
51	Dewas	Madhya Pradesh	Indian Allahabad Bank, Ram Nagar, A B Road, Dewas Madhay Pradesh Pin - 455001
52	Dhanera	Gujarat	Office No: 103, Vishwakarma Complex, Opp. Jalaram Mandir, Deesa – Dhanera Road, Dhanera 385310
53	Dhar	Madhya Pradesh	Saroj Enclave Office No 3, 35 Silver Hills Main Road Dhar Pin 454001
54	Dhule	Maharashtra	Office no. 6/A, Garud Medan Krida Sankul, Opp. Kamalabai high school, Dhule - 424001
55	Doddaballapur a	Karnataka	Bashettihalli Opp To Indian Overseas Bank Doddabalapura Main Road Bangalore 561203
56	Dehradun - SME	Uttarakhand	Df-4, D Wing, First Floor, Raja Road, Dehradun-248001
57	Dungarpur	Rajasthan	Office No 3 K.K Complex, Nr Gandhi Ashram,Dungarpur, Dungarpur (Raj.) -314001
58	Gandhidham	Gujarat	Office No S-9 Secound Floor,Main Plot No 329 Ward No 12/B,Gandhidham Kutch- 370201
59	Gandhinagar	Gujarat	Plot No: 895, Vishwakarma Shopping Center, Sector: 21, Gandhinagar . 382021.
60	Godhra	Gujarat	Shop No : 8-9, 2nd Floor, Premprakash Tower, Ankleshwar Mahadev Road, Nr. Panchal Hospital, Above Jaybharat Bakery, Godhra 389001
61	Guna	Madhya Pradesh	01, 1st floor, Pawaiya complex, AB marg, Guna - 473001
62	Gwalior	Madhya Pradesh	3Rd Floor, Siddhi Vinayak Tower, Patel Nagar, Main Road, Pnb Building, City Centre, Gwalior. (M.P.) - 474011
63	Halol	Gujarat	43-FF, Shiv Plaza Opp. Saraswati School, Kanjari Road, Dist. Panchmahal Halol : 389350
64	Himatnagar	Gujarat	2nd Floor, Avishkar Complex, Opp Motipura Bus Stand, Motipura, Himmatnagar 383001
65	Hoskote	Karnataka	3rd Cross Above Mayura Arts, Opp. Ayyappa Swami Temple, Mv Extension, Hoskote, Banglore-562114
66	Idar	Gujarat	1st floor, 103, Balaji Complex, Himmtnagar Highway Road, Near Railway Crossing Idar. 383430
67	Indore	Madhya Pradesh	414, 4Th Floor Shekhar Centreal, Manorama Gunj A. B. Road, Palasia Square Indore : 452007

S. No.	Centre	State	Address
68	Indore - SME	Madhya Pradesh	Office No. 304 3Rd Floor, Princes Business Skyline, Block No 32 & 33, Scheme No. 54, Vijay Nagar, Indore Madhya Pradesh 452010.
69	Jabalpur	Madhya Pradesh	Office no. 112 - 1st floor, Block no. 4. Nazaul Plot no. 27/2, Swami Dayanand Sarswati ward, Rajul Carade, Nr. Russel chowk, Napier Town, Jabalpur - 482001
70	Jaipur	Rajasthan	S/14, 2Nd Floor, Alankar Plaza, A-10, Central Spine, Vidhyadhar Nagar , Jaipur- 302001
71	Jaipur - SME	Rajasthan	117, 1St Floor Sunny Peradise Manpura, Tonk Road Jaipur : 303805
72	Jalgaon	Maharashtra	Survey No - 21/17 , 3Rd Floor,Above Icchapurti Electronics,Behind Corporation Bank, Navi Peth Area, Jalgaon – 425001
73	Jalna	Maharashtra	Office no. 9, Upper ground floor, Manglam City Center, Gandhi Chaman, Station road, Jalna – 431203
74	Jamnagar	Gujarat	505/A, 5Th Floor, Kuber, Park Colony, Main Road, Jamnagar.- 361001
75	Jasdan	Gujarat	Office no. 78, Krishna Complex, New Bus Station, Ta. Jasdan, Dist. Rajkot, 360050
76	Jetpur	Gujarat	Shop No-3, 1St Floor, Krishna Commercial, Station Road, Jetpur- 360311
77	Jhabua	Madhya Pradesh	1St Floor, Chetanya Marg Above Idbi Bank, Nr Natural Automobiles Old Indore-Ahmedbad Highway Jhabua : 457661
78	Jhalod	Gujarat	1St Floor, Above Tvs Showroom, Dahod Road, Muvada – Jhalod 389180
79	Jodhpur	Rajasthan	2Nd Floor, Jk Building, Bombay Motor Chorhya, Opp. Jodhpur Trucks, Chopasni Road, Jodhpur, Rajasthan - 342001.
80	Junagadh	Gujarat	Office No-206, 2nd Floor, Seven Seas Complex, Opp. Agriculture University, Junagadh - 362001
81	Kadi	Gujarat	Office No FF - 35, Tapovan Landmark, Next To Bajaj Show Room, Chhatral Highway Kadi : 382715
82	Kapadwanj	Gujarat	131 A K Plaza Nani Ratnakar Mata Road, Kapadvanj : 387620
83	Kathlal	Gujarat	13, Keshav Arcade, Ahmedabad Kathlal Highway, Kathlal - 397630
84	Katni	Madhya Pradesh	1St Floor, Khurana Bldg, Nehru Ward, Katni, Madhya Pradesh - 483501
85	Kekri	Rajasthan	Jaipur Road, Krishi Upaj Mandi Ke Samne , Kekri , Rajasthan-305404
86	Khandwa	Madhya Pradesh	1st Floor , Dmax Tower, Rameshwar Road, In Front Of Equitas Bank, Khandwa, Madhya Pardesh -450001
87	Khargone	Madhya Pradesh	381, Ravindranagar, Ward No 09, Zone - 3, Khargoan, Madhya Pradesh Pin Code : 451001
88	Khategaon	Madhya Pradesh	1st Floor, Danwa Palace, Near Palash Hotel, Khategaon, Madhyapradesh-455336
89	Kheda	Gujarat	10, Shri Ram Complex, Opp. Santram Party Plot, Sokhda Road, Kheda 387560
90	Kodinar	Gujarat	Office no. 19, 1st Floor, City Center complex, Opp. Bus Stand, Kodinar 362720
91	Kolar	Karnataka	2nd Floor, Above Omkar Medicls, B.H SNR Hospital, Bangarpete Main Road, Kolar, Karnataka- 563114
92	Kolhapur	Maharashtra	Shop No: 59, Cts No:517/2, Gemstone Buliding , C.B.S. Stand , Kolhapur. - 416001
93	Kota	Rajasthan	Mukesh Plaza, 621, Dadabari Main Road, Near Ss Dairy, Kota, Rajasthan - 324009
94	Kotputli	Rajasthan	1st Floor, BMS Complex, Behind Reliance Trends, Near Axis Bank, Kotputli-303108
95	Kukshi	Madhya Pradesh	1St Floor, Sawariya Complex, Singhana Road, Above Yamaha Showroom ,Kukshi -454331

S. No.	Centre	State	Address
96	Limdi	Gujarat	6, Vivekanand Complex, Limbdi- 362421
97	Lunawada	Gujarat	B 17 , FIRST FLOOR,OM EMPIRIAR,TEJA HOTEL, NEAR BY RELIANCE PETROL PUMP, GODHRA ROAD LUNAWADA 389230
98	Madurai - SME	Tamilnadu	Office No -74 ,Ab , 3Rd Floor Adr Towers, Pp Road, Kalavasal, Madurai-625016
99	Mahuva	Gujarat	3/12/16, J P no Dhal, Kumbhar wada, Mahuva
100	Malegaon	Maharashtra	2nd floor, Nalini Building, Station road, Phophale Nagar, Soyagaon, Malegaon
101	Mandsaur	Madhya Pradesh	1St Floor, Ramnagar Colony, Gita Bhavan Road, Mandsaur, Madhya Pradesh- 458001
102	Mandvi	Gujarat	6386/9/106, 1st floor, Vrundavan Park, Mandvi, Kutch
103	Mandvi - Surat	Gujarat	Office No. 1007 Laxmi Market Dist. Surat Mandvi-Surat : 394160
104	Mangalore - SME	Karnataka	12, Oberle Towers, 1St Floor, Opp.Juice Junction, Balmatta Mangalore-575001.
105	Mehsana	Gujarat	2Nd Floor, Kishan House, Nr. Anand Resturant, Mehsana Highway, Mehsana - 384002
106	Modasa	Gujarat	Office No 112 B First Floor, River Side Business Park, Nr.Cng Petrol Pump, Modasa. - 383315
107	Morbi	Gujarat	Office No. 118, Star Arcade Opp. Sky Mall Shanala Road, Dist. Rajkot Morbi : 363641
108	Mundra	Gujarat	9, 1St Floor, Adarsh Tower, Near Talav, Mundra 370421
109	Mysore	Karnataka	Shree Kalabhairaveshwara Complex No-2772/1, Railway Gate Road, Kg Koppal, Maysore, Karnataka-570009
110	Nadiad	Gujarat	A/6, Weston City Complex, Pij Road, Nadiad- 387001
111	Nagaur	Rajasthan	Plot No 1, 3Rd Floor, Gajanand Tower, Above Indian Bank, Manesar Choraha, Nagaur, Rajasthan-341001
112	Nagda	Madhya Pradesh	1st Floor, Above Bule Buddha, Nr. Bank of Baroda, Mahidpur Road, Nagda-456335
113	Nagpur	Maharashtra	1,2Nd Floor, Khullar Chamber, Municipal Croporation House No 145, Ward - 3, Sitabuldi, Nagpur. - 440012
114	Nagpur - SME	Maharashtra	4Th Floor, Honey Arjun Kaushalya Tower, Plot No 268, Central Avenue Road, Nagpur, Maharashtra-440008
115	Nanded	Maharashtra	Shop no. 16, 1st floor, Sai Bhavan, Anand Nagar Chowk, Anand Nagar, Nanded - 431605
116	Narmadapuram	Madhya Pradesh	1St Floor, Garima Nagar, Rasuliya, Narmadapuram, M.P-461001
117	Nashik	Maharashtra	402, 4Th Floor, Malpani Arcade Above Idfc Bank, Shree Hari Kute Road Mumbai Naka Nasik : 422001
118	Nashik - SME	Maharashtra	Office No. 301, 3Rd Floor, Malpani Arcade, Mumbai Naka, Nasik : 422001
119	Navsari	Gujarat	303, 3Rd Floor, Fountant Plaza , Near Laxmi Cinema, Navsari - 396445
120	Neemuch	Madhya Pradesh	Office No 7, 2Nd Floor , Jaroli Trade Center, Jama, Neemuch, Mp-458441
121	New Delhi - SME	New Delhi	Flat No-1001,1006, On The 10Th Floor, At Padma Tower-1, Rajendra Place, New Delhi-110008
122	Palanpur	Gujarat	2Nd Floor S/11/12/13/14 Shiv Plaza,Ahmedabad- Palanpur Highway.- 385001
123	Pali	Rajasthan	1st floor, Monal Plaza, 8 – Panchwati Colony, Pali extention, Nr. Ujjivan bank, College road, Pali – 360401
124	Patan	Gujarat	Office No- S-2&3, Utsav Plaza, 2Nd Floor, Opp Apmc, Patan Chanashma Road, Patan-384265

S. No.	Centre	State	Address
125	Peenya - Bangalore	Karnataka	728,3Rd Floor,Ramaiah Complex,Opp.Giras Showroom,Nr,Jalahalli Cross Road, Bangalore-560057
126	Phalodi	Rajasthan	Ground Floor, Near, Madhu Medical Nagaour Road, Phalodi-342301
127	Pipar	Rajasthan	2Nd Floor, Sathin Chohra, Opp. Bank Of Baroda, New Krishi Mandi, Pipar City, Jodhpur, Rajasthan-342601
128	Pithampur	Madhya Pradesh	11 & 12 New Kaka Complex, Mhow Neemuch Road,Pithampur,Dist Dhar -454775
129	Pokhran	Rajasthan	2Nd Floor, Phalsoond Circile, Hotel Amar Palace, Pokhran- 345021.
130	Pune	Maharashtra	5Th Floor, C-Tower Vega Centre, Condominium, Plot-401/1, Cts No.710, Shankar Sheth Road, Pune - 411001
131	Pune - SME	Maharashtra	Office No. 213 , 2Nd Floor , Zeneth Complex, Shivaji Nagar, K.M. Gandhi Path, Pune- 411005
132	Radhanpur	Gujarat	1st Floor, Raghav complex, Nr. Apple Eye Hospital, Opp. Pragati complex, Radhanpur – 385340
133	Raipur	Chattisgarh	Shop No-302 & 303, Third Floor, Lalganga Midas Complex, Fafadih Main Road, Raipur, Chhattisgarh -492009.
134	Rajkot	Gujarat	203 - 204, 2Nd Floor, Orbit Plaza, Dr Yagnik Road, Nr Vivekanand Temple, Rajkot 360001
135	Rajkot - SME	Gujarat	R K Empire, Office No 603, 6Th Floor, Mavdi, Rajkot - 360004
136	Rajpipla	Gujarat	F/43, Surya Plaza, Opp Boi, Tekra Faliya, Rajpipla- 394145
137	Rajsamand	Rajasthan	60 Feet road, Nr. Hero Showroom, TVS choraha, Rajsamand
138	Rajula	Gujarat	F / 8, 1St Floor, Shri Narayan Complex, Jafrabad Road, Rajula - 365560
139	Ratlam	Madhya Pradesh	39/A, T I T road, B/h, Petrol pump, Opp. Chartered bus office, Ratlam – 457001
140	Rewa	Madhya Pradesh	Shop No- 2Nd Floor, Shilpi Plaza, B Block, Near Icici Bank, Axis Bank , New India Insurance, Shri Ram Life Insurance, Rewa-486001
141	Sagar	Madhya Pradesh	1St Floor, Infront Of Railway Platform No : 02, Malgodam Gate, Tillik Ganj, Sagar - 470002
142	Salem - SME	Tamilnadu	At First Floor, Kandaswarna Mega Mall, Block-A, Saradha College Road,Fair Lands, Salem, Tamilnadu-636016.
143	Sanawad	Madhya Pradesh	1st Floor,B/H Ingla Hospital, Indore-Khandwa Road, Sanawad-451111
144	Sangamner	Maharashtra	7, 2Nd Floor, Shree Sankul, Akole Naka, Sangamner, Ta - Sangamner, Dist Ahmednagar, Maharashtra 422605
145	Sangli	Maharashtra	Office No 4/5/6, 1St Floor, Shidhhivinayak Forum, Opp. Jilla Parishad, Sangali- Miraj Road, Sangli. 416416
146	Sardarsahar	Rajasthan	1St Floor, Veda Complex, Nr,Baroda Kshetriya Gramin Bank, Kachha Bus Stand, Sardarshahr-331403
147	Satara	Maharashtra	Shop.No. 42 Cts No. 532 -All P No 1L+12 Sadar Bazar Vijay Htieghts Satara-Koregaon Road Satara 415001
148	Satlasana	Gujarat	1St Floor, Maanil Complex, Opp. Ganj Bazar Gate, Satlasana Ambaji Highway, Ta. - Satlasana Dist.- Mehsana. Pin – 384330
149	Satna	Madhya Pradesh	2nd Floor, T R Tower, Rajendra Nagar, Satna
150	Sehore	Madhya Pradesh	Shop No. 205, 2 Floor, Hariom Tower, Sekhdakhedi Road, New Bus Stand, Sheore, Madhya Pradesh -466116
151	Shahada	Maharashtra	4, Shahada Taluka Shakari Kharid Vikari Sangh, Dondaicha Road , Nr, Sapta Srungi Tample, Shahada- 415524
152	Shahdol	Madhya Pradesh	Office No.01, First Floor, Ward No.25, Kudri Road, Balpurwa, Shahdol, Madhya Pradesh- 484110
153	Shahpura	Rajasthan	1St Floor, Swami Bhavan, Jaipur Tiraha , Near Lic Office, Shahpura,

S. No.	Centre	State	Address
			Rajasthan -303103
154	Shajapur	Madhya Pradesh	Vrindavan Tower, Plot No.423/1, Bercha Road, Nr. Mpeb Office, Shajapur - 465001
155	Shamgarh	Madhya Pradesh	2nd Floor, Amar Complex Above, Axis Bank, Station Road, Shamgarh, Madhya Pradesh-458883.
156	Shivpuri	Madhya Pradesh	Maa Balari Building, 2Nd Floor, Nr Navgraha Mandir, Kalarbagh, Shivpuri, Madhya Pradesh Pin – 473551
157	Shujalpur	Madhya Pradesh	20 City Center Mall Near Gandhi Park M G Road Shujalpur , Distt - Shajapur -Mp -Pin – 465333
158	Sidhpur	Gujarat	F/59, 1St Floor, Tirupati Plaza, Sidhpur Palanpur Highway, Sidhpur, Ta : Sidhpur, Dist : Patan Pin 384151
159	Sikar	Rajasthan	F-2, J L Heights, Nr. Balaji Dharamkanta, Poonia Wines, Jaipur road, Sikar - 332001
160	Solapur	Maharashtra	Office no. 11 – 12, Castle Appartment, Railway Lines, Solapur
161	Sri Ganganagar	Rajasthan	Shop No-2, Street No-3, Nagpal Colony, Opp. S.D Bihani School, Nr. Sukhadiya Circle, Shri Ganganagar - 313001
162	Sumerpur	Rajasthan	2Nd Floor, Bothra House, Gandhi Murti, Near Central Bank, Sumerpur, Rajasthan-306902
163	Surat	Gujarat	C-422, 4Th Floor, Monarch, Adajan Gaurav Path Surat : 395009
164	Surat - SME	Gujarat	S/305, Millionaire Business Park, L P Savani Road, Adajan, Surat (New Location) -395009
165	Surendranagar	Gujarat	201 - 202, 2nd Floor, City Center, Opp. M. P. Shah Commerce Collage, Surendranagar - 363002
166	Thane	Maharashtra	Office No. 203, 2Nd Floor Chirag Infotach, Kamgar Hospital Road Wagle Estate Thane (West) : 400602
167	Thane - SME	Maharashtra	Office No-207, 2Nd Floor, Ambica Nagar, Waghle Industrial Estate, Thane West, Thane , Maharashtra-400604
168	Tharad	Gujarat	Office no. 5,6,7, 2nd Floor, Dharti Complex, Dharti Hospital, Vill. Tharad, Dist. Banaskantha
169	Tikamgarh	Madhya Pradesh	R1/144 Mau Road, Friends Colony, Near Bus Stand, Tikamghar M.P - 472001
170	Tonk	Rajasthan	Office No.5/A 1St Floor, Riddhi Siddhi Tower, Nr Agrawal Hospital, Swai Madopur Road, Tonk, Rajasthan-304001
171	Udaipur	Rajasthan	3rd floor, Vinimay commercial complex, 16, Toran Bawri, Udaipole, Udaipur
172	Ujjain	Madhya Pradesh	1 St Floor, 44 Mahaveer Avenue , Maxi Road,Near Bank Of India, Ujjain -456001
173	Una	Gujarat	Office no. 116, 1st floor, Indraprasth complex, Gir Gadhada road, Una
174	Vapi	Gujarat	A/1007,Sonorus,Circuit House Cross Road,Nr Station Road,Vapi - 396191
175	Vasai	Maharashtra	Office-06, Madhuvan Township, Vasai East, Dist- Palghar- 401202
176	Veraval	Gujarat	Office no. 6 – 7, Sadguru Milestone, Opp. Sagar Restaurant, S. T. Road, Veraval – 362265
177	Vidisha	Madhya Pradesh	Idgah Chauraha, Near Rto Circle, Vidhisha Madhya Pradesh-464001
178	Visnagar	Gujarat	F/3, 1St Floor, Shree Ganesh Business Park, Near Essar Petrol Pump, Ambaji Highway, Visnagar 384315
179	Wardha	Maharashtra	Serva Seva Sangh Layout, Maganwadi Road, Nr. Shawas Hospita Road, Ramnagar, Wardha - 442001
180	Yavatmal	Maharashtra	Office No-H.No.40/ Plot No-17, Surevey No 18/1/A, Ward No-12, Bharti Layout, Dharva Road, Yavatmal- 445001

S. No.	Centre	State	Address
181	Abu Road	Rajasthan	1st floor, Shop no. 242, Opra city complex, Manpur reoder road, Abu road - 307026
182	Osian	Rajasthan	1st floor, Nr. SBI bank, Main Bazar road, Nayapura, Osian - 342303
183	Alwar - SME	Rajasthan	Office no. 422, 4th floor, Wonder Mall, Nr. Company bhag road, Alwar - 301001
184	Jetaran	Rajasthan	Office no. 10, 1st floor, Krishna Complex, Nr. Eye hospital, Nimaj Road, Jetaran - 306302
185	Churu	Rajasthan	1st floor, Plot no. B-22, Sector 4, Sainik Basti, Ratangarh road - Churu - 331001
186	Karnal - SME	Haryana	SCO no. 6, 2nd Floor, OMC, Mughal Canal, Karnal - 132001
187	Chandigarh - SME	Punjab	Cabin no. 207, 2nd floor, SCO 148-149, Secotr 34A, Chandigarh - 160022
188	Chohtan	Rajasthan	1st Floor, Viratra complex, Nr. Petrol pump, Barmer road, Chohtan - 344702
189	Hyderabad - SME	Telangana	P. No. 1-11-252/1B, Plot no. 1 & 2 Prakash Towers (Early known as Vasanth Towers), D-NO. 501, 5th floor, Begumpet Hyderabad - 500016
190	Waidhan	Madhya Pradesh	1st floor, Vindhyanagar, Waidhan road, Nr. Tiger Inn Hotel, Waidhan
191	Noida CV	Uttar Pradesh	B - 47, Sector - 63, Noida, Gauram Buddh Nagar, Uttar Pradesh - 201301
192	Narsinghpur	Madhya Pradesh	Chindwara by pass chouraha, Gram Nakatuwa, Bangarpet main road, Narsinghpur
193	Neem ka Thana	Rajasthan	Nr. Agarwal Tent House, Ward no. 2, Shahpura road, Neem ka Thana – 332713
194	Jhalawar	Rajasthan	Plot no. 15, Tilak Nagar, Kanpur road, Khandiya Naka, Jhalawar - 326001
195	Merta	Rajasthan	2nd floor, Geeta Bhawan, Nr. Gayatri Temple, Dist. : Nagaur, Merta City - 341510
196	Beawar	Rajasthan	Ajmer road bypass, Nr. Rani bagh resort, Beawar
197	Bhilai	Chhattisgarh	C-13, 2nd Floor, Dakshin Gangotri, Nr. Ghadi Chowk, Opp. Union bank of India, Supela, Bhilai - 490023
198	Narnaul	Haryana	1st Floor, Ganesh Plaza, Kailash Nagar, Narnaul Rewari road, Narnaul - 123001

(e) **Use of proceeds (in the order of priority for which the said proceeds will be utilized): (i) purpose of the placement; (ii) break-up of the cost of the project for which the money is being raised; (iii) means of financing for the project; (iv) proposed deployment status of the proceeds at each stage of the project**

The proceeds raised from the issue of the Debentures are not being utilised for funding of any projects. Please refer Section 8.1 (*Summary Terms*) below for the Purpose**.**

6.8 **Expenses of the Issue: Expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:**

S.NO	PARTICULARS	FEE/EXPENSE AMOUNT (excluding GST)	% OF TOTAL ISSUE EXPENSES	% OF TOTAL ISSUE SIZE
1.	Lead Manager(s) fees	N. A.	N. A.	N. A.
2.	Underwriting commission	N. A.	N. A.	N. A.

3.	Brokerage, selling commission and upload fees	N. A.	N. A.	N. A.
4.	Fees payable to the registrars to the issue	Rs. 15,000	0.23%	0.002%
5.	Fees payable to the legal advisors	N. A.	N. A.	N. A.
6.	Advertising and marketing expenses	N. A. *	N. A. *	N. A. *
7.	Fees payable to the regulators including stock exchanges	Rs. 75,000	1.14%	0.008%
8.	Expenses incurred on printing and distribution of issue stationary	N. A. **	N. A. **	N. A. **
9.	Any other fees, commission and payments under whatever nomenclature	Rs. 62,15,605	94.81%	0.656%

* As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific advertising and marketing expenses are envisaged to be payable in respect of such issue of Debentures.

** As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no specific expenses are envisaged to be incurred on printing and distribution of issue stationary in respect of such issue of Debentures.

6.9 **Financial Information**

(a) **The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated basis for a period of three completed years, which shall not be more than six months old from the date of the issue document or issue opening date, as applicable. Such financial statements shall be should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India ("ICAI").**

However, if the issuer, being a listed REIT/listed InvIT, has been in existence for a period of less than three completed years, and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and the interim period, the combined financial statements shall be disclosed for the periods for which such historical financial statements are not available.

Please refer Annexure I of the General Information Document for the audited financial statements of the Issuer for the Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023, and March 31, 2024. Please refer to Annexure XI of this Key Information Document for the limited review financial results as of September 30, 2024.

(b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the listing regulations, may disclose unaudited financial information for the interim period in the format as specified therein with limited review report in the issue document, as filed with the stock exchanges, instead of audited financial statements for the interim period, subject to making necessary disclosures in this regard in issue document including risk factors.**

The audited financial statements of the Issuer for the Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023, and March 31, 2024 have been disclosed in Annexure I of the General

Information Document. Further, the limited review financial results as of September 30, 2024 have been disclosed in Annexure XI of this Key Information Document.

(c) **Issuers other than REITs/ InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

(i) The issue is made on the Electronic Book Platform of the stock exchange, irrespective of the issue size; and

(ii) In case of issue of securities on a private placement basis, the issue is open for subscription only to qualified institutional buyers

Not applicable as the Issuer has been in existence for more than 3 (three) years.

(d) **The above financial statements shall be accompanied with the auditor's report along with the requisite schedules, footnotes, summary etc.**

Please refer Annexure I of the General Information Document for the audited financial statements of the Issuer for the Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023, and March 31, 2024 along with the auditor's report along with the requisite schedules, footnotes, summary etc. Please refer to Annexure XI of this Key Information Document for the limited review financial results as of September 30, 2024.

(e) **Key Operational and Financial Parameters on a consolidated basis and on a standalone basis in respect of the financial information provided under clauses (a) to (c) above:**

Standalone Basis

PARTICULARS	**SEPTEMBER 30, 2024**	**MARCH 31, 2024**	**MARCH 31, 2023**	**MARCH 31, 2022**	**MARCH 31, 2021**
	Limited Review	**Audited**	**Audited**	**Audited**	**Audited**
BALANCE SHEET**					
Assets					
Property, Plant and Equipment	18.82	18.63	13.95	12.39	10.8127
Financial Assets	10,364.14	8,977.15	7,572.42	5,976.29	5,086.89
Non-financial Assets excluding property, plant and equipment	140.69	113.46	91.61	75.53	79.90
Total assets	**10,523.65**	**9,109.24**	**7,677.98**	**6,064.21**	**5,177.60**
Liabilities					
Financial Liabilities					
- Derivative financial instruments	0.00	0.00	0.00	0.00	0.00
- Trade Payables	47.89	15.74	11.64	14.12	6.56
- Other Payables	0.64	1.14	1.84	1.55	1.01
- Debt Securities	891.06	626.86	627.26	362.03	314.12
- Borrowings (other than Debt Securities)	6,554.15	6,120.36	4,957.56	3,732.73	2,919.75
- Deposits	0.00	0.00	0.00	0.00	0.00
- Subordinated liabilities	302.86	302.11	252.70	137.22	59.97
- Other financial liabilities	301.09	253.25	305.65	457.59	632.54

Non-Financial Liabilities					
- Current tax liabilities (net)	8.18	4.29	1.86	2.25	11.77
- Provisions	10.59	10.09	9.48	7.16	3.96
- Deferred tax liabilities (net)	0.00	0.00	0.00	0.00	0.00
- Other non-financial liabilities	6.04	6.44	4.26	8.97	55.36
Equity (Equity Share Capital and Other Equity)	2,401.15	1,768.96	1,505.73	1,340.59	1,172.57
Non-controlling interest	0.00	0.00	0.00	0.00	0.00
Total equity and liabilities	10,523.65	9,109.24	7,677.98	6,064.21	5,177.60
PROFIT AND LOSS					
Revenue From operations	710.97	1,217.15	936.85	655.57	593.25
Other income	2.48	7.42	3.00	1.51	0.64
Total Income	**713.45**	**1,224.57**	**939.85**	**657.08**	**593.89**
Total Expenses	516.99	893.15	675.15	445.78	401.00
Profit / loss after tax	147.00	247.75	200.96	157.55	143.50
Other Comprehensive income	(2.28)	15.75	(19.45)	(7.57)	7.51
Total comprehensive income	144.72	263.50	181.51	149.98	151.01
Earnings per equity share: (a) basic; and (b) diluted, (Refer note below)	**8.46**	**15.11**	**12.25**	**9.61**	**8.75**
CASH FLOW					
Net cash from / used in(-) operating activities	(865.20)	(1,282.84)	(1,341.72)	(820.08)	(575.32)
Net cash from / used in(-) investing activities	(185.83)	25.89	(292.27)	(809.00)	(199.71)
Net cash from / used in (-)financing activities	1,178.86	1,197.11	1,601.27	934.60	715.31
Net increase / decrease (-) in cash and cash equivalents	127.83	(59.84)	(32.72)	(694.48)	(59.73)
Cash and cash equivalents as per Cash Flow Statement as at the end of the Year	305.85	178.02	237.86	270.58	965.05
ADDITIONAL INFORMATION					
Net worth	2,401.15	1,768.96	1,505.73	1,340.59	1,172.57
Cash and Cash Equivalents	305.85	178.02	237.86	270.58	965.05
Loans	8,075.62	7,264.83	5,910.16	4,553.80	3,805.13
Loans (Principal Amount)	7,996.95	7,192.55	5,862.16	4,520.90	3,780.34
Total Debts to Total assets	73.63%	77.39%	76.03%	69.79%	63.62%
Coupon/Interest Income	602.99	1,022.28	797.33	561.11	484.14
Coupon/Interest Expense	346.84	614.16	474.82	319.54	264.49
Impairment on Financial Instruments	25.05	41.42	10.35	3.99	44.19
Bad debts to Loans	25.22	48.13	42.65	30.11	34.21
% Stage 3 Loans on Loans (Principal Amount)	2.36%	2.25%	2.15%	2.28%	1.94%

% Net Stage 3 Loans on Loans (Principal Amount)	1.51%	1.51%	1.49%	1.56%	1.48%
Tier I Capital Adequacy Ratio (%)	23.76%	20.33%	20.79%	23.08%	24.81%
Tier II Capital Adequacy Ratio (%)	2.76%	3.72%	4.46%	3.27%	2.05%

Note: The basic and diluted earnings per share have been computed for previous year on the basis of the adjusted number of equity shares in accordance with bonus issue of shares.

Consolidated Basis:

PARTICULARS	**SEPTEMBER 30, 2024**	**MARCH 31, 2024**	**MARCH 31, 2023**	**MARCH 31, 2022**	**MARCH 31, 2021**
	Limited Review	**Audited**	**Audited**	**Audited**	**Audited**
BALANCE SHEET**					
Assets					
Property, Plant and Equipment	21.33	21.23	14.66	12.93	11.448
Financial Assets	10,846.22	9,409.50	7,907.17	6,218.06	5,336.18
Non-financial Assets excluding property, plant and equipment	142.57	116.61	93.39	77.57	82.00
Total assets	**11,010.12**	**9,547.34**	**8,015.22**	**6,308.56**	**5,429.63**
Liabilities					
Financial Liabilities					
- Derivative financial instruments	0.00	0.00	0.00	0.00	0.00
- Trade Payables	52.26	21.15	14.68	14.59	7.28
- Other Payables	1.46	1.89	1.84	1.55	1.01
- Debt Securities	891.06	626.86	627.26	362.03	314.12
- Borrowings (other than Debt Securities)	6,972.63	6,496.88	5,247.57	3,939.97	3,138.67
- Deposits	0.00	0.00	0.00	0.00	0.00
- Subordinated liabilities	302.86	302.11	252.70	137.22	59.97
- Lease liabilities	3.60	3.38	1.28	0.66	0.66
- Other financial liabilities	302.79	254.98	309.06	461.20	634.01
Non-Financial Liabilities					
- Current tax liabilities (net)	8.65	4.70	2.06	2.48	12.15
- Provisions	10.62	10.11	9.49	7.17	3.97
- Deferred tax liabilities (net)	0.00	0.00	0.00	0.00	0.00
- Other non-financial liabilities	6.82	6.71	4.61	9.16	57.45
Equity (Equity Share Capital and Other Equity)	2,418.84	1,782.71	1,518.65	1,349.91	1,179.88
Non-controlling interest	38.53	35.86	26.02	22.62	20.47
Total equity and liabilities	11,010.12	9,547.34	8,015.22	6,308.56	5,429.63
PROFIT AND LOSS					
Revenue From operations	748.61	1,279.16	978.60	690.24	627.39

Other income	2.04	6.52	2.43	0.93	0.32
Total Income	**750.65**	**1,285.68**	**981.03**	**691.17**	**627.71**
Total Expenses	549.72	946.01	709.38	474.62	431.74
Profit / loss after tax	150.18	254.01	205.82	161.20	145.52
Other Comprehensive income	0.84	13.90	(18.42)	(7.77)	7.75
Total comprehensive income	**151.02**	**267.91**	**187.40**	**153.43**	**153.28**
Earnings per equity share: (a) basic; and (b) diluted, (Refer note below)	**9.05**	**15.31**	**12.39**	**9.71**	**8.80**
CASH FLOW					
Net cash from / used in (-) operating activities	(913.15)	(1,366.05)	(1,425.94)	(805.28)	(578.11)
Net cash from / used in (-) investing activities	(193.59)	50.08	(304.05)	(819.88)	(199.39)
Net cash from / used in (-) financing activities	1,220.43	1,289.97	1,684.02	922.69	718.75
Net increase/decrease (-) in cash and cash equivalents	113.69	(26.00)	(45.97)	(702.47)	(58.74)
Cash and cash equivalents as per Cash Flow Statement as at end of Half Year	[__]	[__]	[__]	[__]	[__]
Balance as per statement of cash flows	326.36	212.67	238.67	284.64	987.11
ADDITIONAL INFORMATION					
Net worth	2,457.37	1,818.57	1,544.67	1,372.53	1,200.35
Cash and Cash Equivalents	326.36	212.67	238.67	284.64	987.11
Loans	8,564.43	7,719.44	6,246.24	4,799.81	4,063.31
Total Debts to Total assets	0.74	0.78	0.76	0.70	0.65
Coupon/Interest Income	636.50	1,077.09	834.04	593.45	517.70
Coupon/Interest Expense	366.43	646.71	496.01	338.68	284.94
Impairment on Financial Instruments	25.28	42.45	10.43	4.07	45.69
Bad Debts to Loans	25.84	48.16	42.93	31.20	35.67

Note: The basic and diluted earnings per share have been computed for previous year on the basis of the adjusted number of equity shares in accordance with bonus issue of shares.

(f) **Details of any other contingent liabilities of the Issuer based on the latest audited financial statements including amount and nature of liability:**

Please refer Section 6.9(f) of the General Information Document for the details of the contingent liability of the Issuer based on the audited financial statements for the Financial Year ended March 31, 2024.

(g) **The amount of corporate guarantee or letter of comfort issued by the issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued**

Please refer Section 6.9(g) of the General Information Document for the details of corporate guarantee or letter of comfort issued by the Issuer. There are no changes to the information set out in Section 6.9(g) of the General Information Document.

6.10 **A brief history of Issuer since its incorporation giving details of its following activities:**

(a) **Details of Share Capital as on last quarter end, i.e., September 30, 2024**:

SHARE CAPITAL	AMOUNT (IN INR)
Authorised Share Capital	
20,00,00,000 equity shares of INR 10 each	2,00,00,00,000
NIL preference shares of INR NIL each	NIL
TOTAL	2,00,00,00,000
Issued, Subscribed and Fully Paid- up Share Capital	
18,14,53,377 equity shares of INR 10 each	1,81,45,33,770
NIL preference shares of INR NIL each	NIL
TOTAL	1,81,45,33,770

(b) **Changes in its capital structure as on last quarter end, i.e., September 30, 2024 for the preceding three financial years and current financial year:**

DATE OF CHANGE (ANNUAL GENERAL MEETING/ EXTRAORDINARY GENERAL MEETING)	AUTHORISED CAPITAL IN RS.	PARTICULARS
Extra-ordinary General Meeting dated February 9, 2024	Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000/- (Twenty Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each	Reclassification & Increase in Authorised Share Capital of the Company.

(c) **Details of the equity share capital for the preceding three financial years and current financial year:**

DATE OF ALLOTMENT	NUMBER OF EQUITY SHARES	FACE VALUE PER EQUITY SHARE (IN ₹)	ISSUE PRICE PER EQUITY SHARE (IN ₹)	CONSIDERATION (CASH, OTHER THAN CASH, ETC)	NATURE OF ALLOTMENT	CUMULATIVE			REMARKS
						NO. OF EQUITY SHARES	EQUITY SHARE CAPITAL	EQUITY SHARE PREMIUM	
February 24, 2024	109,324,086	10	-	Bonus	Bonus	163986129	1639861290	-	-
June 21, 2024	17,467,248	10	286.25	Cash	QIP	181453377	1814533770	4825327260	-

(d) **Details of any acquisition of or amalgamation with any entity in the preceding one year:**

Please refer Section 6.10(d) of the General Information Document for the details of any acquisition of or amalgamation with any entity in the preceding one year. There are no changes to the information set out in Section 6.10(d) of the General Information Document.

(e) **Details of any Reorganization or Reconstruction in the preceding one year:**

Please refer Section 6.10(e) of the General Information Document for the details of any acquisition of or amalgamation with any entity in the preceding one year. There are no changes to the information set out in Section 6.10(e) of the General Information Document.

(f) **Details of the shareholding of the Company as at the latest quarter end, as per the format specified under the listing regulations***:*

Please refer Annexure X of this Key Information Document for the shareholding pattern of the Issuer as of September 30, 2024.

(g) **List of top ten holders of equity shares of the Company as on the latest quarter end, i.e., September 30, 2024:**

S. NO.	NAME OF THE SHAREHOLDERS	TOTAL NUMBER OF EQUITY SHARES	NUMBER OF SHARES IN DEMAT FORM	TOTAL SHAREHOLDING AS PERCENTAGE (%) OF TOTAL NO. OF EQUITY SHARES
1	Shweta Kamlesh Gandhi	49015350	49015350	27.01
2	Late Mukesh Chimanlal Gandhi	48470442	48470442	26.71
3	Kamlesh Chimanlal Gandhi	19021524	19021524	10.48
4	Business Excellence Trust Iii - India Business Excellence Fund Iii	12133737	12133737	6.69
5	Nippon Life India Trustee Ltd-A/C	6113537	6413537	3.37

	Nippon India Small Cap Fund			
6	Prarthana Marketing Private Limited	3952671	3952671	2.18
7	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	6118869	6118869	3.72
8	Bandhan Sterling Value Fund	6802206	6802206	3.75
9	Axis Elss Tax Saver Fund	2470107	2470107	1.36
10	Bandhan Elss Tax Saver Fund	1980000	1980000	1.09

6.11 **Following details regarding the directors of the Company:**

(a) **Details of the current directors of the Company:**

NAME	DESIGNATION	DIN	AGE (IN YEARS)	ADDRESS	DATE OF APPOINTMENT	DETAILS OF OTHER DIRECTORSHIPS
Mr. Kamlesh C. Gandhi	Chairman and Managing Director	00044852	58	5-A, Kumar Society, Jivraj Park, Ahmedabad 380 051, Gujarat, India	25/05/1995	MAS Financial Services Limited MAS Rural Housing & Mortgage Finance Limited MASFIN Insurance Broking Private Limited Prarthna Marketing Private Limited Finance Industry Development Council Swalamb Mass Financial Services Ltd

NAME	DESIGNATION	DIN	AGE (IN YEARS)	ADDRESS	DATE OF APPOINTMENT	DETAILS OF OTHER DIRECTORSHIPS
						DHI Advisors Private Limited
Mrs. Darshana Saumil Pandya	Director & CEO	07610402	51	36 - Maruti Nandan Kutir, Nr, Shyam Villa-1, Gala Club Road, Bopal , Ahmedabad – 380058, Gujarat	23/09/2016	MAS Financial Services Limited MAS Rural Housing & Mortgage Finance Limited MASFIN Insurance Broking Private Limited Prarthna Marketing Private Limited Swalamb Mass Financial Services Ltd
Mr. Dhvanil Kamlesh Gandhi	Whole-Time Director	10562922	31	5-A, Kumar Society, Jivraj Park, Ahmedabad 380 051, Gujarat, India	14/08/2024	NIL
Mr. Umesh Rajanikant Shah	Non-Executive Independent Director	07685672	67	104, Vatsraj Apartment, Opp. Shraddha School, Jodhpur Gam Road, Satellite, Ahmedabad 380015, Gujarat, India	21/12/2016	MAS Financial Services Limited MAS Rural Housing & Mortgage Finance Limited
Mrs. Daksha Niranjan Shah	Non-Executive Independent Director	00376899	78	31, Viva Bunglow, B/H Ranjit Petrol Pump, Bodakdev,	14/03/2019	MAS Financial Services Limited

NAME	DESIGNATION	DIN	AGE (IN YEARS)	ADDRESS	DATE OF APPOINTMENT	DETAILS OF OTHER DIRECTORSHIPS
				Thaltej, Dascroi, Ahmedabad 380059, Gujarat, India		Saline Area Vitalisation Enterprise Private Limited Sadbhav Jodhpur Ring Road Private Limited Altura Financial Services Limited Sadbhav Infrastructure Project Limited Sadbhav Kim Expressway Private Limited MAS Rural Housing & Mortgage Finance Limited
Mr. Narayanan Sadanandan	Non-Executive Independent Director	07263104	63	D 603 Sankalp Grace, 2, opp. Ashok Vatika, Ambli-Bopal Road, Santosa Park, Ambli Ahmedabad 380058, Gujarat, India	21/06/2023	MAS Financial Services Limited Allied Blenders And Distillers Limited Shree Maruti Integrated Logistics Limited Infibeam Avenues Limited
Mr. Vishal Nagendra Vasu	Non-Executive Independent Director	02460597	52	99, Serendeep, Nr. Ratna Lake, Ghuma, Ahmedabad,	24/04/2024	MAS Financial Services Limited

NAME	DESIGNATION	DIN	AGE (IN YEARS)	ADDRESS	DATE OF APPOINTMENT	DETAILS OF OTHER DIRECTORSHIPS
				380058, Gujarat, India		Dev Information Technology Limited MINDDEFFT Technologies Private Limited

(b) **Details of change in directors in the preceding three financial years and current financial year:**

NAME	DESIGNATION	DIN	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE	REMARKS
Mr. Narayanan Sadanandan	Non-Executive Independent Director	07263104	21/06/2023	NA	NA	NA
Mr. Vishal Nagendra Vasu	Non-Executive Independent Director	02460597	24/04/2024	NA	NA	NA
Mr. Bala Bhaskaran	Non-Executive Independent Director	00393346	25/05/1995	31/03/2024	NA	Due to completion of tenor.
Mr. Chetan Shah	Non-Executive Independent Director	02213542	06/06/2008	31/03/2024	NA	
Mr. Dhvanil Kamlesh Gandhi	Whole-Time Director	10562922	14/08/2024	N.A.	N.A.	N.A.

(c) **Details of directors' remuneration, and such particulars of the nature and extent of their interests in the issuer (during the current year and preceding three financial years):**

(i) Remuneration payable or paid to a director by the issuer, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis;

Please refer Section 6.11(c)(i) of the General Information Document for the details of the remuneration payable or paid to a director by the Issuer, its subsidiary or associate company, and the details of the shareholding of the director in the Issuer, its subsidiaries and associate companies on a fully diluted basis for the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024. The details of the remuneration payable or paid to a director by the Issuer, its subsidiary or associate company for the current Financial Year are as follows:

By/in the Issuer:

S. NO.	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE ISSUER (FY 2024-25 (Current Year)) (IN INR, IN [__])
1.	Kamlesh Chimanlal Gandhi	3.81
2.	Mukesh Chimanlal Gandhi	0.00
3.	Darshana Saumil Pandya	0.51
4.	Bala Bhaskaran	0.00
5.	Chetan Ramniklal Shah	0.00
6.	Umesh Rajanikant Shah	0.05
7.	Daksha Niranjan Shah	0.04
8.	Narayanan Sadanandan	0.04
9.	Vishal Vasu	0.02
10.	Dhvanil Kamlesh Gandhi	0.25

By/in the subsidiaries of the Issuer:

S. NO.	NAME OF THE DIRECTOR	REMUNERATION PAYABLE/PAID BY THE SUBSIDIARIES OF THE ISSUER (FY 2024-25 (Current Year))
1.	Kamlesh Chimanlal Gandhi	0.00
2.	Darshana Saumil Pandya	0.00

By/in the associate of the Issuer: NIL

(ii) Appointment of any relatives to an office or place of profit of the issuer, its subsidiary or associate company;

Please refer Section 6.11(c)(ii) of the General Information Document for the details of the appointment of any relatives to an office or place of profit of the Issuer, its subsidiary or associate company for the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024, and the current Financial Year. There are no changes to the information set out in Section 6.11(c)(ii) of the General Information Document.

(iii) Full particulars of the nature and extent of interest, if any, of every director:

A. in the promotion of the issuer company; or

B. in any immoveable property acquired by the issuer company in the two years preceding the date of the issue document or any immoveable property proposed to be acquired by it; or

C. where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed.

Please refer Section 6.11(c)(iii) of the General Information Document for the details of the full particulars of the nature and extent of interest, if any, of every

director. There are no changes to the information set out in Section 6.11(c)(iii) of the General Information Document.

(d) **Contribution being made by the directors as part of the offer or separately in furtherance of such objects.**

Please refer Section 6.11(d) of the General Information Document for the details of contribution being made by the directors as part of the offer or separately in furtherance of such objects. There are no changes to the information set out in Section 6.11(d) of the General Information Document.

6.12 **Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

Please refer Section 6.12 of the General Information Document for the details of any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons. There are no changes to the information set out in Section 6.12 of the General Information Document.

6.13 **Following details regarding the auditors of the Issuer:**

(a) **Details of the auditor of the Issuer:**

NAME OF THE AUDITOR	ADDRESS	DATE OF APPOINTMENT
M/s Sorab S. Engineer & Co. (Chartered Accountants)	804-805, Sakar-IX, Beside City Gold, Ashram Road, Ahemdabad-380009	11-09-2024

(b) **Details of change in auditors for preceding three financial years and current financial year:**

NAME OF THE AUDITOR	ADDRESS	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE
M/s Sorab S. Engineer & Co.	804-805, Sakar-IX, Beside City Gold, Ashram Road, Ahemdabad-380009	11-09-2024	N.A.	N.A.
M/s Mukesh M. Shah & Co.	7th Floor, Heritage Chambers, Behind BikanerwalaNear Azad Society, Nehrunagar, Ahmedabad, Gujarat, 380015	25-08-2021	11-09-2024	N.A.

6.14 **Details of the following liabilities of the issuer, as at the end of the preceding quarter, or if available, a later date:**

(a) **Details of outstanding secured loan facilities as at the end of the last quarter, i.e., September 30, 2024**:

NAME OF LENDER	TYPE OF FACILITY	AMOUNT SANCTIONED (IN INR, IN CRORE)	PRINCIPAL AMOUNT OUTSTANDING (IN INR, IN CRORE)	REPAYMENT DATE/SCHEDULE	SECURITY	CREDIT RATING, IF APPLICABLE	ASSET CLASSIFICATION
AXIS BANK	Term Loan	100.00	8.33	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower	CARE AA-: Stable	STANDARD AND REGULAR
AXIS BANK	Term Loan	100.00	38.46	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.	CARE AA-: Stable	STANDARD AND REGULAR
AXIS BANK	Term Loan	200.00	103.85	Repayable in 13 Quarterly installments from 20 December 2023	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.	CARE AA-: Stable	STANDARD AND REGULAR
BANK OF INDIA	Term Loan	80.00	19.94	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR

BANK OF MAHARASHTRA	Term Loan	150.00	59.99	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
BANK OF BARODA	Term Loan	200.00	33.33	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
BANDHAN BANK	Term Loan	125.00	24.29	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.	CARE AA-: Stable	STANDARD AND REGULAR
BANK OF MAHARASHTRA	Term Loan	150.00	82.56	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and	CARE AA-: Stable	STANDARD AND REGULAR

					Mrs. Shweta Gandhi.		
BANK OF BARODA	Term Loan	200.00	100.00	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
BANK OF MAHARASHTRA	Term Loan	200.00	150.06	Repayable in 20 Quarterly installments from 30 September 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
CANARA BANK	Term Loan	100.00	40.09	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.	CARE AA-: Stable	STANDARD AND REGULAR

CANARA BANK	Term Loan	100.00	80.03	Repayable in 20 Quarterly installments from 31 Decemmber 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.	CARE AA-: Stable	STANDARD AND REGULAR
CSB BANK LIMITED	Term Loan	50.00	16.62	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of company.	CARE AA-: Stable	STANDARD AND REGULAR
CSB BANK LIMITED	Term Loan	50.00	41.65	Repayable in 36 monthly installments from 28 April 2024.	Exclusive charge on the specific standard book debts/loan receivables of company.	CARE AA-: Stable	STANDARD AND REGULAR
CAPITAL SMALL FINANCE BANK	Term Loan	25.00	14.77	Repayable in 36 monthly installments from 01 June 2023	First and Exclusive charge by Hypothecation of Book Debts	CARE AA-: Stable	STANDARD AND REGULAR
DBS BANK INDIA LIMITED	Term Loan	50.00	9.09	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
DHANLAXMI BANK LIMITED	Term Loan	30.00	10.00	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.	CARE AA-: Stable	STANDARD AND REGULAR

DBS BANK INDIA LIMITED	Term Loan	75.00	40.91	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	54.00	6.44	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	7.50	0.16	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	30.00	0.65	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	12.50	0.27	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	7.50	1.07	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan	CARE AA-: Stable	STANDARD AND REGULAR

					availed .		
HDFC BANK	Term Loan	30.00	4.26	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	12.50	1.78	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	46.00	11.75	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	100.00	34.68	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	50.00	26.39	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	100.00	65.71	Repayable in 35 monthly installments from 7 October 2023.	Secured by a first and exclusive charge on specific	CARE AA-: Stable	STANDARD AND REGULAR

					receivables of the Company created out of the loan availed .		
HDFC BANK	Term Loan	44.00	37.89	Repayable in 36 monthly installments from 7 May 2024.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
INDIAN BANK	Term Loan	100.00	16.82	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance.Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
INDIAN BANK	Term Loan	100.00	44.53	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance.Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR

INDIAN BANK	Term Loan	150.00	120.00	Repayable in 20 Quarterly installments from 30 November 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance.Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
INDIAN BANK	Term Loan	75.00	60.00	Repayable in 20 Quarterly installments from 28 December 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance.Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
ICICI BANK	Term Loan	50.00	10.00	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower	CARE AA-: Stable	STANDARD AND REGULAR
IDFC FIRST LTD.	Term Loan	100.00	50.00	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the company	CARE AA-: Stable	STANDARD AND REGULAR

INDIAN BANK	Term Loan	150.00	97.50	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance.Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
IDFC FIRST LTD.	Term Loan	100.00	56.25	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company	CARE AA-: Stable	STANDARD AND REGULAR
INDIAN BANK	Term Loan	150.00	105.00	Repayable in 20 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance.Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
KOTAK MAHINDRA BANK LTD	Term Loan	100.00	24.96	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.	CARE AA-: Stable	STANDARD AND REGULAR
KOTAK MAHINDRA	Term Loan	50.00	29.16	Repayable in 12 Quarterly	First & Exclusive	CARE AA-:	STANDARD AND

BANK LTD				installments from 30 September 2023.	charge by way of hypothecation on the Borrower's specific loan receivables.	Stable	REGULAR
STATE BANK OF INDIA	Term Loan	500.00	399.92	Repayable in 20 Quarterly installments from 25 December 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan.Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
SBM BANK (INDIA) LIMITED	Term Loan	20.00	2.50	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.	CARE AA-: Stable	STANDARD AND REGULAR
STATE BANK OF INDIA	Term Loan	400.00	259.57	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan.Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
SHINHAN BANK	Term Loan	30.00	19.00	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the company	CARE AA-: Stable	STANDARD AND REGULAR
FEDERAL BANK	Term Loan	40.00	9.14	Repayable in 36 monthly installments from 29 July	Secured by a first and exclusive charge on	CARE AA-: Stable	STANDARD AND REGULAR

				2022.	specific book debt and future receivables of the Company created/to be created out of the loan availed .		
FEDERAL BANK	Term Loan	100.00	84.73	Repayable in 36 monthly installments from 30 April 2024.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
SOUTH INDIAN BANK	Term Loan	20.00	8.33	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company	CARE AA-: Stable	STANDARD AND REGULAR
FEDERAL BANK	Term Loan	100.00	58.33	Repayable in 36 monthly installments from 30 July 2023.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
UNION BANK OF INDIA	Term Loan	100.00	31.58	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR

UNION BANK OF INDIA	Term Loan	300.00	135.00	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
UNION BANK OF INDIA	Term Loan	100.00	66.67	Repayable in 12 Quarterly installments from 31 December 2023.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
UTKARSH SMALL FINANCE BANK	Term Loan	30.00	9.17	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Company	CARE AA-: Stable	STANDARD AND REGULAR
ADITYA BIRLA FINANCE LIMITED	Term Loan	40.00	13.33	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the company	CARE AA-: Stable	STANDARD AND REGULAR
BAJAJ FINANCE LIMITED	Term Loan	74.50	24.83	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.	CARE AA-: Stable	STANDARD AND REGULAR

BAJAJ FINANCE LIMITED	Term Loan	80.00	53.33	Repayable in 36 monthly installments from 5 October 2023.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.	CARE AA-: Stable	STANDARD AND REGULAR
MICRO UNITS DEVELOPMENT & REFINANCE AGENCY LIMITED	Term Loan	50.00	27.25	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
MICRO UNITS DEVELOPMENT & REFINANCE AGENCY LIMITED	Term Loan	200.00	175.00	Bullet Repayment on 11 December 2026.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMEN	Term Loan	200.00	60.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid	CARE AA-: Stable	STANDARD AND REGULAR

					collateral of 10% of the sanctioned amount.		
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Term Loan	150.00	45.00	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Term Loan	138.00	49.00	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
SUNDARAM FINANCE LIMITED	Term Loan	100.00	36.60	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.	CARE AA-: Stable	STANDARD AND REGULAR
KARUR VYSYA BANK	Term Loan	50.00	33.33	Repayable in 12 Quarterly Installments from 31 October 2023	Hypothecation on the Specific unencunbered secured standard loan receivales and book debts of the company arising from loans and advances.	CARE AA-: Stable	STANDARD AND REGULAR
NABKISAN FINANCE LIMITED	Term Loan	80.00	65.45	Repayable in 11 quarterly installments from 01 April,	First and exclusive charge by way of	CARE AA-: Stable	STANDARD AND REGULAR

				2024	Hypothecation on standard book debts		
POONAWALLA FINCORP LIMITED	Term Loan	50.00	37.43	Repayable in 36 Monthly installments from 05 December 2023	First and exclusive charge by way of Hypothecation over the standard loan receivables	CARE AA-: Stable	STANDARD AND REGULAR
INDIAN BANK	Term Loan	75.00	63.75	Repayable in 20 Quarterly installments from 05 February 2024	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance.Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
UCO BANK	Term Loan	200.00	162.49	Repayable in 16 Quarterly Installments from 31 march, 2024	Exclusive First charge by way of hypothecation over speicifc Standard receivables.	CARE AA-: Stable	STANDARD AND REGULAR
AXIS BANK	Term Loan	25.00	19.23	Repayable in 13 Quarterly installments from 16 March 2024 .	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.	CARE AA-: Stable	STANDARD AND REGULAR
CITY UNION BANK	Term Loan	25.00	18.74	Repayable in 12 Quarterly Installments from 28 March, 2024	Exclusive charge on book debts by way of hypothecatio	CARE AA-: Stable	STANDARD AND REGULAR

					n on specific standard receivables of the company		
ADITYA BIRLA FINANCE LIMITED	Term Loan	30.00	15.63	Repayable in 8 Quarterly installments from 31 March 2024	Secured by exclusive charge on the book debt and receivables of the company	CARE AA-: Stable	STANDARD AND REGULAR
HDFC BANK	Term Loan	90.00	69.43	Repayable in 35 monthly installments from 7 February 2024.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Term Loan	82.00	64.57	Repayable in 33 monthly installments from 10 March 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Term Loan	100.00	88.24	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Term Loan	118.00	104.12	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and	CARE AA-: Stable	STANDARD AND REGULAR

					receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.		
NABSAMRUDDHI FINANCE LIMITED	Term Loan	52.00	46.43	Repayable in 33 Monthly installments from 31 May 2024	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan.	CARE AA-: Stable	STANDARD AND REGULAR
DBS BANK INDIA LIMITED	Term Loan	125.00	121.21	Repayable in 33 monthly installments from 25 September 2024.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .	CARE AA-: Stable	STANDARD AND REGULAR
CANARA BANK	Term Loan	200.00	189.73	Repayable in 20 Quarterly installments from 30th September 2024.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.	CARE AA-: Stable	STANDARD AND REGULAR
UCO BANK	Term Loan	200.00	187.50	Repayable in 16 Quarterly Installments from 30th September, 2024	Exclusive First charge by way of hypothecation over speicifc Standard receivables.	CARE AA-: Stable	STANDARD AND REGULAR
KOTAK MAHINDRA BANK LTD	Term Loan	100.00	91.67	Repayable in 12 Quarterly installments from 29 September	First & Exclusive charge by way of hypothecatio	CARE AA-: Stable	STANDARD AND REGULAR

				2024.	n on the Borrower's specific loan receivables.		
ICICI BANK	Term Loan	60.00	52.50	Repayable in 8 Quarterly installments from 28 September 2024.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower	CARE AA-: Stable	STANDARD AND REGULAR
CITY UNION BANK	Term Loan	40.00	39.99	Repayable in 11 Quarterly installments from 29 November 2024.	Exclusive charge on book debts by way of hypothecation on specific standard receivables of the company	CARE AA-: Stable	STANDARD AND REGULAR
AXIS BANK	Term Loan	25.00	25.00	Repayable in 13 Quarterly installments from 31st December 2024	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.	CARE AA-: Stable	STANDARD AND REGULAR
AXIS BANK	Term Loan	100.00	100.00	Repayable in 13 Quarterly installments from 31st December 2024	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.	CARE AA-: Stable	STANDARD AND REGULAR
INDIAN BANK	Term Loan	200.00	150.00	Repayable in 20 Quarterly installments from 29th December 2024	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be	CARE AA-: Stable	STANDARD AND REGULAR

					financed by the Company out of the bank finance.		
BANK OF MAHARASHTRA	Term Loan	200.00	100.00	Repayable in 20 Quarterly installments from 31st December 2024	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.	CARE AA-: Stable	STANDARD AND REGULAR
STATE BANK OF INDIA	Overdraft against FD	128.95	0.00	N.A.	Secured against Fixed Deposit	NA	STANDARD AND REGULAR
AXIS BANK	Overdraft against FD	300.00	255.38	N.A.	Secured against Fixed Deposit	NA	STANDARD AND REGULAR
SOUTH INDIAN BANK	Overdraft against FD	38.00	0.00	N.A.	Secured against Fixed Deposit	NA	STANDARD AND REGULAR
TAMILNAD MERCANTILE BANK	Overdraft against FD	47.50	0.00	N.A.	Secured against Fixed Deposit	NA	STANDARD AND REGULAR
UTKARSH SMALL FINANCE BANK	Overdraft against FD	27.00	0.00	N.A.	Secured against Fixed Deposit	NA	STANDARD AND REGULAR
JANA SMALL FINANCE BANK	Overdraft against FD	57.00	0.00	N.A.	Secured against Fixed Deposit	NA	STANDARD AND REGULAR
BANK OF BARODA	Cash Credit	200.00	116.35	N.A.	Hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements /	CARE AA-: Stable	STANDARD AND REGULAR
STATE BANK OF INDIA	Cash Credit	145.00	129.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
INDIAN BANK	Cash Credit	200.00	200.00	N.A.		CARE AA-:	STANDARD AND

					Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi.	Stable	REGULAR
BANK OF INDIA	Cash Credit	100.00	100.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
BANK OF MAHARASHTRA	Cash Credit	60.00	60.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
PUNJAB NATIONAL BANK	Cash Credit	250.00	250.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
UNION BANK OF INDIA	Cash Credit	120.00	0.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
IDBI BANK LTD.	Cash Credit	75.00	75.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
BARODA GUJARAT GRAMIN BANK	Cash Credit	30.00	30.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
SOUTH INDIAN BANK	Cash Credit	30.00	30.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
INDIAN OVERSEAS BANK	Cash Credit	50.00	50.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
TAMILNAD MERCANTILE BANK	Cash Credit	30.00	30.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
IDFC FIRST BANK LTD	Cash Credit	50.00	0.00	N.A.		CARE AA-: Stable	STANDARD AND REGULAR
INDUSIND BANK LTD	Cash Credit	150.00	149.50	N.A.		CARE AA-: Stable	STANDARD AND REGULAR

(b) **Details of outstanding unsecured loan facilities as at the end of the last quarter, i.e., September 30, 2024:**

NAME OF LENDER	TYPE OF FACILITY	AMOUNT SANCTIONED (IN INR, IN CRORE)	PRINCIPAL AMOUNT OUTSTANDING (IN INR, IN CRORE)	REPAYMENT DATE/SCHEDULE	CREDIT RATING, IF APPLICABLE

BAJAJ FINANCE LIMITED	Term Loan	25.00	25.00	Bullet Repayment on 17 August 2026.	CARE AA-: Stable

(c) **Details of outstanding non-convertible securities as at the end of the last quarter, i.e., September 30, 2024, in the following format:**

SERIES OF NCS	ISIN	TENOR / PERIOD OF MATURITY	COUPON	AMOUNT (IN INR, IN CRORE)	DATE OF ALLOTMENT	REDEMPTION DATE / SCHEDULE	CREDIT RATING	SECURED / UNSECURED	SECURITY
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	INE348L08041	67 Months	10.75%	50	20/10/2021	20/05/2027	CARE AA-; Stable	UNSECURED	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	INE348L08058	72 Months	10.75%	50	29/12/2021	29/12/2027	CARE AA-; Stable	UNSECURED	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10	INE348L08066	67 Months	10.75%	25	29/09/2022	28/04/2028	CARE AA-; Stable	UNSECURED	N.A.

lakhs each									
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	INE348L08074	72 Months	10.75%	35	21/12/2022	21/12/2028	CARE AA-; Stable	UNSECURED	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	INE348L08082	67 Months	10.75%	50	10/03/2023	10/10/2028	CARE AA-; Stable	UNSECURED	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	INE348L08090	67 Months	10.75%	50	27/03/2023	27/10/2028	CARE AA-; Stable	UNSECURED	N.A.
5000, 10.75% unsecured, rated, listed, redeemabl	INE348L08108	67 Months	10.75%	50	08/12/2023	08/07/2029	CARE AA-; Stable	UNSECURED	N.A.

e, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each									
10000 Rated Unsubordinated Secured Listed Transferable Redeemable Non-convertible debentures of 1 Lakh Each	INE348L07159	36 Months	9.75%	100	28/09/2023	28/09/2026	CARE AA-; Stable	SECURED	Secured by a first ranking exclusive Hypothecation charge over Assets
10000 Senior, secured, rated, listed, redeemable, taxable, non-convertible debentures.	INE348L07167	18 Months	8.60%	100	16/01/2024	16/07/2025	CARE AA-; Stable	SECURED	Secured by a first ranking exclusive Hypothecation charge over Assets
12500 Floating rate, Secured, Listed, Rated, Redeemable, INR denominated Non-Convertible Debentures (NCD)	INE348L07175	18 Months	9.75% (12 Months T-BILL 7.09% +2.66%)	125	21/02/2024	21/08/2025	CARE AA-; Stable	SECURED	Secured by a first ranking exclusive Hypothecation charge over Assets
20000 Rated, listed, redeemable, senior, secured	INE348L07183	48 Months	9.95% (3 Month MCLR OF Idfc Bank)	175	21/03/2024	21/03/2028	CARE AA-; Stable	SECURED	Secured by a first ranking exclusive Hypothecation

non-convertible debentures									charge over Assets
10000 Senior, secured, rated, listed, redeemable, taxable, non-convertible debentures.	INE348L07191	18 Months	8.55%	100	06/06/2024	06/12/2025	CARE AA-; Stable	SECURED	Secured by a first ranking exclusive Hypothecation charge over Assets
5000 Senior, secured, rated, listed, redeemable, taxable, non-convertible debentures.	INE348L07209	36 Months	9.57%	50	21/06/2024	21/06/2027	CARE AA-; Stable	SECURED	Secured by a first ranking exclusive Hypothecation charge over Assets
15000 Senior, secured, rated, listed, redeemable, taxable, non-convertible debentures.	INE348L07217	18 Months	8.35%	150	28/08/2024	28/02/2026	CARE AA-; Stable	SECURED	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	INE348L07142	24 MONTHS & 2 DAY	Coupon is linked to performance of Underlying / Reference Index	100	01/12/2022	03/12/2024	CARE A+; Positive	SECURED	Secured by a first ranking exclusive Hypothecation charge over Assets

(d) **Details of commercial paper issuances as at the end of the last quarter, i.e., September 30, 2024, in the following format:**

SERIES OF NCS	ISIN	TENOR / PERIOD OF MATURIT	COUPON	AMOUNT OUTSTANDING (IN INR)	DATE OF ALLOTMENT	REDEMPTION DATE / SCHEDUL	CREDIT RATING	SECURED / UNSECURED	SECURITY	OTHER DETAILS VIZ. DETAILS

		Y				E				OF ISSUING AND PAYING AGENT, DETAILS OF CREDIT RATING AGENCIES
N.A.										

(e) **List of top ten holders of non-convertible securities in terms of value (in cumulative basis) as the end of the last quarter, i.e., September 30, 2024:**

SR. NO.	NAME OF HOLDERS	CATEGORY OF HOLDER	FACE VALUE OF HOLDING (IN INR, IN CRORE)	HOLDING AS A % OF TOTAL OUTSTANDING NON-CONVERTIBLE SECURITIES OF THE ISSUER
1	IDFC FIRST BANK LIMITED	NNB	175.00	14.46%
2	STANDARD CHARTERED BANK	PL	125.00	10.33%
3	HINDUJA LEYLAND FINANCE LIMITED	NBF	100.00	8.26%
4	PUNJAB STATE COOPERATIVE BANK LTD	NNB	49.50	4.09%
5	KOGTA FINANCIAL INDIA LTD	CBO	37.50	3.10%
6	CREDAVENUE SECURITIES PRIVATE LIMITED	CBO	34.12	2.82%
7	A K CAPITAL FINANCE LIMITED	CBO	30.11	2.49%
8	ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED	IC	25.00	2.07%
9	AMBIT FINVEST PRIVATE LIMITED	CBO	25.00	2.07%
10	PROTIUM FINANCE LIMITED	CBO	20.00	1.65%

(f) **List of top ten holders of Commercial paper in terms of value (in cumulative basis) as at the end of the last quarter, i.e., September 30, 2024:**

S. NO.	NAME OF HOLDER	CATEGORY OF HOLDER	FACE VALUE OF HOLDING	HOLDING AS A % OF TOTAL COMMERCIAL PAPER OUTSTANDING OF THE ISSUER
N.A.				

(g) **Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors as at the end of the last quarter, i.e., September 30, 2024:**

NAME OF PARTY (IN CASE OF FACILITY)/	TYPE OF FACILITY / INSTRUMENT	AMOUNT SANCTIONED/ ISSUED	PRINCIPAL AMOUNT OUTSTANDING	DATE OF REPAYMENT/ SCHEDULE	CREDIT RATING	SECURED / UNSECURED	SECURITY

NAME OF INSTRUMENT							
N.A.							

6.15 **The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.**

Please refer Section 6.15 of the General Information Document for the details of the corporate guarantee or letter of comfort issued by the Issuer. There are no changes to the information set out in Section 6.15 of the General Information Document.

6.16 **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:**

- **in whole or part,**
- **at a premium or discount, or**
- **in pursuance of an option or not.**

Please refer Section 6.16 of the General Information Document for the details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. There are no changes to the information set out in Section 6.16 of the General Information Document.

6.17 **Where the Issuer is a non-banking finance company or housing finance company, the required disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:**

Please refer Section 6.17 and Section 10 of the General Information Document for the disclosures required in respect of Asset Liability Management (ALM) for the Financial Year ended March 31, 2024.

6.18 **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the company, in the preceding three years and the current financial year:**

Please refer Section 6.18 of the General Information Document for the details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness in the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024, and the current Financial Year. There are no changes to the information set out in Section 6.16 of the General Information Document.

6.19 **Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities/ commercial paper.**

Please refer Section 6.19 of the General Information Document for the details of the material event/development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.). There are no changes to the information set out in Section 6.19 of the General Information Document.

6.20 **Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue of the issue document against the promoter of the company:**

Please refer Section 6.20 of the General Information Document for the details of the any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue of the Key Information Document against the promoter of the Issuer. There are no changes to the information set out in Section 6.20 of the General Information Document.

6.21 **Details of default and non-payment of statutory dues for the preceding three financial years and current financial year:**

Please refer Section 6.21 of the General Information Document for the details of default and non-payment of statutory dues for the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024, and the current Financial Year. There are no changes to the information set out in Section 6.21 of the General Information Document.

6.22 **Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares**

Please refer Section 6.22 of the General Information Document for the details of the relevant pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person. There are no changes to the information set out in Section 6.22 of the General Information Document.

6.23 **Details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the issuer**

Please refer Section 6.23 of the General Information Document for the details of acts of material frauds committed against the issuer in the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024, and the current Financial Year. There are no changes to the information set out in Section 6.23 of the General Information Document.

6.24 **Details of pending proceedings initiated against the issuer for economic offences, if any**

Please refer Section 6.24 of the General Information Document for the details of the pending proceedings initiated against the issuer for economic offences, if any. There are no changes to the information set out in Section 6.24 of the General Information Document.

6.25 **Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided**

Please refer Section 6.25 of the General Information Document for the details of related party transactions entered during the Financial Years ended March 31, 2022, March 31, 2023 and March 31, 2024. The the details of related party transactions entered during the current Financial Year are as follows:

[__]

6.26 **In case the issuer is a Non-Banking Finance Company (NBFC) and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:**

S. NO.	NAME OF THE BORROWER (A)	AMOUNT OF ADVANCES /EXPOSURES TO SUCH	PERCENTAGE OF EXPOSURE (C)= B/TOTAL

		BORROWER (GROUP) (RS. CRORE) (B)	ASSETS UNDER MANAGEMENT
Not Applicable.			

6.27 **In order to allow investors to better assess the issue, the following additional disclosures shall be made by the issuer in the issue documents: (i) A portfolio summary with regards to industries/ sectors to which borrowings have been granted by NBFCs. (ii) Quantum and percentage of secured vis-à-vis unsecured borrowings granted by NBFCs. (iii) Any change in promoters' holdings in NBFCs during the preceding financial year beyond the threshold specified by the Reserve Bank of India from time to time.**

Please refer Section 6.27 of the General Information Document.

6.28 **Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates to the issue, legal advisors to the issue, lead managers to the issue, Registrar to the Issue, and lenders (if required, as per the terms of the agreement) and experts.**

PARTICULARS	REFERENCING
Directors	Please refer Annexure VII in respect of the resolutions passed at the meeting of the board of directors of the Issuer.
Auditors	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, and as no auditor's report is being obtained in respect of this issue of Debentures, the Issuer believes that no specific consent from the auditor is required.
Bankers to issue	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, no bankers have been appointed in respect of such issue of Debentures.
Trustees	The consent letter from Debenture Trustee is provided in Annexure II of this Key Information Document.
Solicitors /Advocates	Not applicable.
Legal Advisors	Not applicable.
Lead Manager	Not applicable.
Registrar	The consent letter from the Registrar is provided in Annexure II of this Key Information Document.
Lenders of the Issuer	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, and as no statements or confirmations from any lenders are being obtained in respect of this issue of Debentures, the Issuer believes that no specific consent from the lenders of the Issuer is required.
Experts	As the Debentures will be issued by way of private placement to identified investors in accordance with the process prescribed by SEBI, and as no statements or confirmations from any experts are being obtained in respect of this issue of Debentures, the Issuer believes that no specific consent from the lenders of the Issuer is required.

6.29 **The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.**

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Key Information Document and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in Annexure II of this Key Information Document.

6.30 **If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**

Not Applicable.

6.31 **Disclosure of cash flow with date of interest/dividend/ redemption payment as per day count convention**

(a) ***The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made***: Please refer to the sub-sections named "*Day Count Basis (Actual/Actual)*" and "*Business Day Convention*" under Section 8.1 of this Key Information Document.

(b) ***Procedure and time schedule for allotment and issue of securities***: Please refer Section 9 of this Key Information Document.

(c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the Key Information Document, by way of an illustration***: The cashflows emanating from the Debentures, by way of an illustration, are set out under Annexure IV (*Illustration of Bond Cashflows*) of this Key Information Document.

6.32 **Disclosures pertaining to wilful defaulter:**

(a) **The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter**:

(i) ***Name of the bank declaring as a wilful defaulter:*** N.A.

(ii) ***The year in which it was declared as a wilful defaulter:*** N.A.

(iii) ***Outstanding amount when declared as a wilful defaulter:*** N.A.

(iv) ***Name of the entity declared as a wilful defaulter:*** N.A.

(v) ***Steps taken, if any, for the removal from the list of wilful defaulters:*** N.A.

(vi) ***Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions:*** N.A.

(vii) ***Any other disclosure as specified by the Board***: N.A.

(b) **The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages**: N.A.

6.33 **Undertaking by the Issuer**: Please refer Section 7.

6.34 **Risk Factors**: Please refer Section 4.

6.35 **Attestation by Directors**: Please refer Section 7.3 of the General Information Document.

6.36 **Other details:**

(a) ***Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability***: Please refer Section 6.36(a) of the General Information Document for the details in respect of the creation of DRR.

(b) ***Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.)***: The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations, the Debenture Trustees Regulations, the SEBI Listed Debentures Circulars, and other RBI guidelines and SEBI guidelines applicable to issuance of non-convertible debentures by NBFCs on a private placement basis.

(c) ***Default in payment*:** Please refer to the sub-section named "*Default Interest Rate*" and "*Additional Disclosures (Default in Payment)*" of Section 8.1 (*Summary Terms*) in respect of the additional interest in the event of a default in payment, and Section 8.2.6.2(a) in respect of the event of default in the event of a default in payment.

(d) ***Delay in listing*:** Please refer the section named "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" of Section 8.1 (*Summary Terms*) in relation to the listing requirements in respect of the Debentures and section named "*Additional Disclosures (Delay in Listing)*" of Section 8.1 (*Summary Terms*) in respect of the default interest in the event of delay in listing.

(e) ***Delay in allotment of securities***:

(i) The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

(ii) The Debentures shall be deemed to be allotted to the Debenture Holders on the Deemed Date of Allotment. All benefits relating to the Debentures are available to the Debenture Holders from the Deemed Date of Allotment.

(iii) If the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iv) If the Issuer fails to repay the Application Money within the Repayment Period, then the Issuer shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum, gross of withholding taxes, from the expiry of the Allotment Period.

(f) ***Issue details***: Please refer to Section 8 of this Key Information Document.

(g) ***Application process***: The application process for the Issue is as provided in Section 9 of this Key Information Document.

(h) ***Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any*:** The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 is provided in Annexure IX. Please refer Annexure IX for all disclosures required under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(i) ***Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project***: Not applicable.

6.37 **Other matters and reports**:

(a) **If the proceeds, or any part of the proceeds, of the issue of the debt securities are or is to be applied directly or indirectly:**

(i) in the purchase of any business; or

(ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith

the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof, a report made by a chartered accountant (who shall be named in the issue document) upon -

(A) **the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the issue document; and**

(B) **the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the issue document.**

Not Applicable. The proceeds from the issue of Debentures will be utilised in accordance with the Purpose (as set out in Section 8.1 below).

(b) **In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to third parties, disclosures regarding**

(i) the names, addresses, descriptions and occupations of the vendors;

(ii) the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;

(iii) the nature of the title or interest in such property proposed to be acquired by the company; and

(iv) the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction:

Provided that the disclosures specified in sub-clauses (i) to (iv) above shall be provided for the top five vendors on the basis of value viz. sale consideration payable to the vendors.

Provided further that for the remaining vendors, such details may be provided on an aggregated basis in the offer document, specifying number of vendors from whom it is being acquired and the aggregate value being paid; and the detailed disclosures as specified in sub-clauses (i) to (iv) above may be provided by way of static QR code and web link. If the issuer provides the said details in the form of a static QR code and web link, the same shall be provided to the debenture trustee as well and kept available for inspection as specified in sub-section (g) below. A checklist item in the 'Security and Covenant Monitoring System' shall also be included for providing the detailed disclosures, as specified in sub-clauses (i) to (iv) above, to the debenture trustee and confirmation of the same by the debenture trustee.

Not Applicable. The proceeds from the issue of Debentures will be utilised in accordance with the Purpose (as set out in Section 8.1 below).

(c) **If:**

(i) the proceeds, or any part of the proceeds, of the issue of the debt securities are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and -

(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon –

A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and

B. the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.

Not Applicable. The proceeds from the issue of Debentures will be utilised in accordance with the Purpose (as set out in Section 8.1 below).

(d) **The said report shall:**

(i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and

(ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in Section 6.37(c)(ii) above.

Not Applicable.

(e) **The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default shall be disclosed**.

Please refer Section 6.37(e) of the General Information Document for the broad lending and borrowing policy of the Issuer.

(f) **The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies are as follows**.

Please refer Section 6.37(f) of the General Information Document for details of the aggregate number of securities of the issuer company and its subsidiary companies purchased or sold. There are no changes to the information set out in Section 6.37(f) of the General Information Document.

(g) **The matters relating to: (i) Material contracts; (ii) Time and place at which the contracts together with documents will be available for inspection from the date of issue document until the date of closing of subscription list**

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Issuer or entered into more than 2 (two) years before the date of this Key Information Document which are or may be deemed material have been entered into by the Issuer.

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the registered office of the Issuer between on 10.00 am to 4.00 pm Business Days.

S. No.	Nature of Contract
1.	Certified true copy of the memorandum of association, the articles of association, and the certificate of incorporation of the Issuer.
2.	Resolution dated April 24, 2024 of the board of directors of the Issuer and the resolution dated November 12, 2024 of the Finance Committee of the board of directors of the Issuer.
3.	Resolution dated August 24, 2022 of the shareholders of the Issuer under Section 180(1)(a) of the Companies Act.
4.	Resolution dated August 24, 2022 of the shareholders of the Issuer under Section 180(1)(c) of the Companies Act.
5.	Annual reports of the Issuer for the last 3 (three) Financial Years.
6.	Credit rating letter, the rating rationale and the press release from the Rating Agency.
7.	Letter from Catalyst Trusteeship Limited dated November 12, 2024 giving its consent to act as Debenture Trustee.
8.	Letter from Link Intime India Private Limited dated November 12, 2024 giving its consent to act as Register and Transfer Agent.
9.	The tripartite agreement(s) executed between the Issuer, the Registrar and the relevant Depositories.
10.	The application made to BSE for grant of in-principle approval, and the in-principle approval provided by the BSE in respect of the General Information Document.
11.	The due diligence certificate(s) issued by the Debenture Trustee pursuant to the SEBI Debenture Trustees Master Circular and the other SEBI Listed Debentures Circulars.
12.	The Transaction Documents (including the Debt Disclosure Documents).

(h) **Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document**.

Please refer page 140 of the annual report for the Financial Year ended March 31, 2021, page 149 of the annual report for the Financial Year ended March 31, 2022, page 172 of the annual report for the Financial Year ended March 31, 2023, and page 186 of the annual report for the Financial Year ended March 31, 2024.

(i) **The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks**.

Please refer Section 6.37(i) of the General Information Document for the summary of reservations or qualifications or adverse remarks of auditors in the Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023, and March 31, 2024.

(j) **The details of:**

- **any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 (18 of 2013) or any previous companies law;**
- **prosecutions filed, if any (whether pending or not); and**
- **fines imposed or offences compounded,**

in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.

Please refer Section 6.37(j) of the General Information Document. There are no changes to the information set out in Section 6.37(j) of the General Information Document.

(k) **The details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the issuer**

Please refer Section 6.37(k) of the General Information Document for the details of acts of material frauds committed against the issuer in the Financial Years ended March 31, 2022, March 31, 2023, and March 31, 2024, and the current Financial Year. There are no changes to the information set out in Section 6.37(k) of the General Information Document.

6.38 **Summary Terms**: Please refer Section 8.1 (*Summary Terms*).

SECTION 7: UNDERTAKINGS

Please refer Section 7 of the General Information Document for the undertakings by the Issuer, and attestation by the directors. Please refer below for the undertaking on security:

7.1 UNDERTAKING ON SECURITY

(a) The assets over which security is proposed to be created to secure the Debentures are sole and absolute property of the Issuer and are free from any mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.

(b) The assets over which security is proposed to be created to secure the Debentures to meet the hundred percent security cover or higher security cover are free from any encumbrances and in case the assets are encumbered, the permissions or consent to create any further charge on the assets has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.

(c) The Issuer hereby undertakes that the assets on which the first ranking exclusive charge is created by the Issuer in favour of the Debenture Trustee to secure the obligations of the Issuer in relation to the Debentures under the terms of the Deed of Hypothecation, being the Hypothecated Assets, are free from any encumbrances.

7.2 ATTESTATION BY AUTHORISED PERSON(S)

The person(s) authorised by the Issuer hereby attest as follows:

(a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder.

(b) The compliance with the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.

(c) The monies received under the offer shall be used only for the purposes and objects indicated in this Key Information Document.

(d) Whatever is stated in the General Information Document and this Key Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of the General Information Document and this Key Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

(e) General Risk:

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 4 of this Key Information Document and Section 4 of the General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

(f) The contents of the document have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors.

(g) The person(s) set out below are duly authorised to attest to the above by the board of directors or the governing body, as the case may be, by a resolution, a copy of which is also disclosed in this Key Information Document.

For MAS Financial Services Limited

Darshana Saumil Pandya

Digitally signed by Darshana Saumil Pandya
DN: cn=Darshana Saumil Pandya c=IN o=Personal
Reason: I am the author of this document
Location:
Date: 2024-11-28 12:29+05:30

_____

Darshana Pandya
Director and Chief Executive Officer

Ahmedabad, India
November 26, 2024

RIDDHI BHAVESHBHAI BHAYANI

Digitally signed by RIDDHI BHAVESHBHAI BHAYANI
DN: cn=RIDDHI BHAVESHBHAI BHAYANI c=IN o=Personal
Reason: I am the author of this document
Location:
Date: 2024-11-28 12:27+05:30

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Riddhi Bhayani
Company Secretary and Chief Compliance Officer
Ahmedabad, India
November 26, 2024

SECTION 8: KEY TERMS OF THE ISSUE

8.1 SUMMARY TERMS

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	8.45% MAS Financial 2026
Issuer	MAS Financial Services Limited
Type of Instrument	Rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Eligible Investors	Please refer Section 9.7.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	(a) The Issuer shall submit all duly completed documents to the BSE, SEBI, the jurisdictional registrar of companies or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements ("**Listing Period**"). (b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. (c) The Issuer shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and that the rating of the Debentures is not withdrawn until the Final Settlement Date. (d) In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the Deemed Date of Allotment until the listing of the Debentures is completed.
Rating of the Instrument	"CARE AA-; Stable" by CARE Ratings Limited.
Issue Size	INR 100,00,00,000 (Indian Rupees One Hundred Crore)
Minimum Subscription	Minimum application shall not be less than INR 1,00,00,000 (Indian Rupees One Crore) (being 100 (one hundred) Debentures) and in multiples of 1 (one) Debenture thereafter.
Option to retain oversubscription (Amount)	Not applicable.
Objects of the Issue / Purpose for which there is requirement of funds	(a) The funds raised by the Issue shall be utilized by the Issuer for the following purposes ("**Purpose**"): (i) for general corporate purposes of the Issuer; and (ii) for utilization in the ordinary course of business of the Issuer (including repayment/re-financing of any existing Financial Indebtedness of the Issuer). The amount equivalent to 100% of the funds raised by the Issue will be utilized towards the Purpose. The Issuer has

	not, as of the date of this Key Information Document, determined the specific allocation or the order of priority of utilisation between the objects set out in paragraphs (i) to (ii) above. (b) The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards: (i) any equity capital market instruments, and equity linked instruments or any other equity capital market related activities (whether directly or indirectly); (ii) any speculative purposes; (iii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI); and (v) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.17/21.04.172/2024-25 dated April 24, 2024 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*". PROVIDED THAT until the funds raised by the Issue are utilized for the Purpose, the Issuer shall be entitled to temporarily invest the funds raised by the Issue in money market instruments, liquid schemes of mutual funds and/or deposits held with scheduled commercial banks.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable.
Details of the utilization of the Proceeds	(a) The funds raised by the Issue shall be utilized by the Issuer for the following purposes: (i) for general corporate purposes of the Issuer; and (ii) for utilization in the ordinary course of business of the Issuer (including repayment/re-financing of any existing Financial Indebtedness of the Issuer). The amount equivalent to 100% of the funds raised by the Issue will be utilized towards the Purpose. The Issuer has not, as of the date of this Key Information Document, determined the specific allocation or the order of priority of utilisation between the objects set out in paragraphs (i)

	to (ii) above. (b) The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards: (i) any equity capital market instruments, and equity linked instruments or any other equity capital market related activities (whether directly or indirectly); (ii) any speculative purposes; (iii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI); and (v) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.17/21.04.172/2024-25 dated April 24, 2024 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*". PROVIDED THAT until the funds raised by the Issue are utilized for the Purpose, the Issuer shall be entitled to temporarily invest the funds raised by the Issue in money market instruments, liquid schemes of mutual funds and/or deposits held with scheduled commercial banks.
Coupon/Dividend Rate	8.45% (eight decimal four five percent) per annum, payable monthly. ***Interest on Debentures*** (a) Subject to any premature redemption of the Debentures in accordance with the provisions of the DTD, the interest on the Debentures shall accrue at the Interest Rate from the Deemed Date of Allotment until the Debentures are repaid in full and shall be payable by the Issuer to the relevant Debenture Holders in the manner determined herein (including pursuant to the sub-section named "*Step Up/Step Down Coupon Rate*" below) on each Interest Payment Date. The indicative interest payment schedule is set out in Annexure IV. (b) Without prejudice to the above, if the Debentures are prematurely redeemed and/or accelerated in accordance with the provisions of the DTD, the interest and all other amounts in respect of the Debentures shall be paid in accordance with the manner set out in the DTD.
Step Up/Step Down Coupon Rate	(a) ***Step Up (Debentures)*** (i) If the rating of the Debentures is downgraded below the Rating, the Interest Rate shall be increased by 0.25% (zero decimal two five percent) for each downgrade of 1 (one)

	notch from the Rating ("**Step Up Rate (Debentures)**"), and such increased Interest Rate shall be applicable on the Outstanding Principal Amounts with effect from the date of such downgrade. Step Up (Debentures), in accordance with this paragraph (i) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders. (ii) Following the Step Up (Debentures) until the rating of the Debentures is restored to the Rating, if the rating of the Debentures is upgraded, the prevailing Step Up Rate (Debentures) shall be decreased by 0.25% (zero decimal two five percent) for each upgrade of 1 (one) notch from the rating of the Debentures (until the rating of the Debentures is restored to the Rating) and such decreased rate of interest shall be applicable on the Outstanding Principal Amounts with effect from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this paragraph (ii) cannot, in any case, be lower than the Interest Rate. The decrease in the rate of interest in accordance with this paragraph (ii) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders. It is clarified that, if following the Step Up (Debentures), the rating of the Debentures is restored to the Rating, then the interest shall be payable at the Interest Rate, from the date that the rating of the Debentures is restored to the Rating. (iii) Where the Issuer has obtained a rating in relation to the Debentures from more than one rating agency, the lowest rating issued by the rating agencies in relation to the Debentures shall be considered for the purpose of increase in the Step Up (Debentures). (b) ***Step Up (Company Rating)*** (i) If the rating of the Issuer is downgraded below "AA-" ("**Company Rating**"), the Interest Rate for the Debentures shall be increased by 0.25% (zero decimal two five percent) for each downgrade of 1 (one) notch ("**Step Up Rate (Company)**"), and such increased Interest Rate shall be applicable on the Outstanding Principal Amounts with effect from the date of such downgrade. Step Up (Company), in accordance with this paragraph (i) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders. (ii) Following the Step Up (Company) until the rating of the Issuer is restored to the Company Rating, if the rating of the Issuer is upgraded, the prevailing Step Up Rate (Company) shall be decreased by 0.25% (zero decimal two five percent) for each upgrade of 1 (one) notch from the rating of the Issuer (until the rating of the Issuer is restored to the Company Rating) and such decreased rate of interest shall be applicable on the Outstanding Principal Amounts with effect from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this paragraph

	(ii) cannot, in any case, be lower than the Interest Rate for the Debentures. The decrease in the rate of interest in accordance with this paragraph (ii) shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders. It is clarified that, if following the Step Up (Company), the rating of the Issuer is restored to the Company Rating, then the interest shall be payable at the Interest Rate for the Debentures, from the date that the rating of the Issuer is restored to the Company Rating. (iii) Where the Issuer has obtained a rating in relation to the Issuer from more than one rating agency, the lowest rating issued by the rating agencies in relation to the Issuer shall be considered for the purpose of increase in the Step Up (Company).
Coupon/Dividend Payment Frequency	Monthly.
Coupon/Dividend Payment Dates	Please refer Annexure IV.
Cumulative / non-cumulative, in case of dividend	Not Applicable.
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable.
Day Count Basis (Actual/Actual)	Interest and all other charges shall accrue based on an actual/actual basis.
Interest on Application Money	(i) Interest at the Interest Rate, subject to deduction of tax at source in accordance with Applicable Law, will be paid by the Issuer on the Application Money to the Applicants from (and including) the date of receipt of such Application Money up to (and including) the day occurring 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 5 (five) Business Days from the Deemed Date of Allotment. Where pay-in date of the Application Money and the Deemed Date of Allotment are the same, no interest on Application Money will be payable. (ii) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount to the bank account of the Applicant as described in the Application Form by electronic mode of transfer such as (but not limited to) RTGS/NEFT/direct credit. (iii) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant.

Default Interest Rate	(a) On the occurrence of a Payment Default, the Issuer agrees to pay additional interest at 2% (two percent) per annum over the Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Secured Obligations are repaid (whichever is earlier), on each Interest Payment Date occurring during the aforementioned period. (b) On the occurrence of any breach of any covenants (including any financial covenants) set out in the DTD or the other Transaction Documents, the Issuer agrees to pay additional interest at 2% (two percent) per annum over the Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of such breach until such breach is cured or the Secured Obligations are repaid (whichever is earlier), on each Interest Payment Date occurring during the aforementioned period. PROVIDED THAT no additional interest will be payable pursuant to this paragraph (b) if any additional interest is being paid by the Issuer pursuant to paragraph (a) above, paragraph (d) of the sub-section named "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" above and/or Section 8.2.4(n) below. (c) Unless specifically provided otherwise, any additional/default interest payable by the Issuer in accordance with any provision of the DTD or any other Transaction Document shall be in addition to and independent of any additional/default interest payable by the Issuer in accordance with any other provision of the DTD or any other Transaction Document.
Tenor	18 (eighteen) months from the Deemed Date of Allotment
Redemption Date	May 28, 2026
Redemption Amount	INR 1,00,000 (Indian Rupees One Lakh) per Debenture. (a) The Debentures shall be fully redeemed on a *pari passu* basis by the Issuer by making the payment of the Outstanding Principal Amounts on the Final Redemption Date. The indicative redemption schedule is set out in Annexure IV. (b) Without prejudice to anything contained in the Transaction Documents, the Issuer shall, on the Final Redemption Date, promptly discharge all outstanding Secured Obligations. (c) The Issuer shall not, without the prior written consent of the Majority Debenture Holders, redeem (or prematurely redeem) the Debentures in any manner other than in accordance with the terms of the DTD.
Redemption Premium/Discount	Not Applicable
Issue Price	INR 1,00,000 (Indian Rupees One Lakh) per Debenture
Discount at which security is issued and the effective yield as result of such discount	Not Applicable
Put Date	Not Applicable
Put Price	Not Applicable
Call Date	Not Applicable.
Call Price	Not Applicable.

Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable.
Face Value	INR 1,00,000 (Indian Rupees One Lakh) per Debenture.
Minimum subscription amount and in multiples thereafter	Minimum application shall not be less than INR 1,00,00,000 (Indian Rupees One Crore) (being 100 (one hundred) Debentures) and in multiples of 1 (one) Debenture thereafter.
Issue Timing	
1. Issue Opening Date	November 27, 2024
2. Issue Closing Date	November 27, 2024
3. Date of earliest closing of the issue, if any.	N.A.
4. Pay-in Date	November 28, 2024
5. Deemed Date of Allotment	November 28, 2024
Settlement Mode of the Instrument	Please refer Section 9 below.
Depository	NSDL and CDSL
Disclosure of Interest/Dividend/ redemption dates	Please refer Annexure IV below.
Record Date	15 (fifteen) calendar days prior to each Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	To be more particularly set out in the DTD and the other Transaction Documents. Please also refer Section 8.2 below for an indicative list of representations and warranties of the Issuer, financial covenants, reporting covenants, affirmative covenants, and negative covenants, and acceleration on event of default. All other covenants prescribed by/commercially agreed with the proposed investors are set out in this Section 8.1.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the	I. **SECURITY** (a) **Hypothecated Assets** The Debentures and the Outstanding Amounts shall be secured on or prior to the Deemed Date of Allotment by way of (i) a first ranking exclusive and continuing charge to be created in favour of the Debenture Trustee pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over certain identified book debts/loan receivables of the Issuer as described therein (the "**Hypothecated Assets**"), and (ii) such other security interest as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**").

Trust Deed and disclosed in the Key Information Document	(b) **Security Cover and Maintenance** (i) The value of the Hypothecated Assets shall at all times, commencing from the Deemed Date of Allotment and until the Final Settlement Date, be at least 1.1 (one decimal one) times the value of the Outstanding Amounts (the "**Security Cover**") and shall be maintained at all times until the Final Settlement Date. (ii) The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer. (c) **Filings and other information** (i) The Issuer shall create the charge over the Hypothecated Assets on or prior to the Deemed Date of Allotment and perfect such security by filing Form CHG-9 with the ROC within the time period prescribed under the Deed of Hypothecation. (ii) The Debenture Trustee shall file the prescribed Form I with CERSAI reporting the charge created to the CERSAI within the time period prescribed under the Deed of Hypothecation. The Issuer will provide all information and assistance that the Debenture Trustee may require, to enable it to file the prescribed Form I with CERSAI within the time period prescribed under the Deed of Hypothecation. (d) **Others** The Issuer hereby further agrees, declares and covenants as follows: (i) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee; (ii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security; (iii) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover; (iv) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets

	that do not satisfy the eligibility criteria prescribed in the Transaction Documents. It is hereby clarified that, in the event the Client Loans comprising the Hypothecated Assets are overdue beyond 30 (thirty) days, the Issuer will promptly and in no case later than 15 (fifteen) days of the occurrence of the above event or such other time period as may be prescribed by the Debenture Holders, ensure that the value of the Hypothecated Assets equals or exceeds the stipulated Security Cover by creating a charge by way of hypothecation over additional or new Client Loans that fulfil the eligibility criteria prescribed under the Transaction Documents; (v) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time; (vi) the security interest created on the Hypothecated Assets shall be a continuing security; and (vii) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation. II. **SPECIFIC DISCLOSURES** (a) **Type of security**: Identified book debts/loan receivables of the Issuer. (b) **Type of charge**: Hypothecation. (c) **Date of creation of security/ likely date of creation of security**: On or prior to the Deemed Date of Allotment. (d) **Minimum security cover**: At least 1.1 (one decimal one) times the value of the Outstanding Amounts. (e) **Revaluation**: N.A. (f) **Replacement of security**: The Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents. (g) **Interest over and above the coupon rate**: In the event of any delay in the execution of any Transaction Document (including the DTD or the Deed of Hypothecation) or the creation and perfection of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either: (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or (ii) pay to the Debenture Holders additional interest at the rate

	of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created and perfected in terms thereof or the Secured Obligations are discharged (whichever is earlier).
Transaction Documents	means: (a) the DTD; (b) the Debenture Trustee Agreement; (c) the Deed of Hypothecation; (d) the Debt Disclosure Documents; (e) the letters issued by, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (f) each tripartite agreement between the Issuer, the Registrar and the relevant Depository; and (g) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders, and "Transaction Document" means any of them.
Conditions precedent to Disbursement	The Issuer shall, prior to the Deemed Date of Allotment, fulfil the following conditions precedent, each in a form and manner satisfactory and acceptable to the Debenture Trustee/the Applicants: **AUTHORISATIONS** (a) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by an authorised person on behalf of the Issuer; (b) copies of the authorisations, approvals and licenses received by the Issuer from the RBI; (c) a copy of the resolution of the Issuer's board of directors and any resolution of any committee of the board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an authorised person on behalf of the Issuer; (d) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the Companies Act approving the borrowing contemplated under the Transaction Documents certified as correct, complete and in full force and effect by an authorised person on behalf of the Issuer; (e) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the Companies Act approving the creation of Transaction Security in accordance with the terms of the Transaction Documents certified as correct, complete and in full

	force and effect by an authorised person on behalf of the Issuer; (f) (to the extent applicable) a copy of the resolution of the shareholders of the Issuer under Section 42 of the Companies Act approving issuance of non-convertible debentures by the Issuer on a private placement basis certified as correct, complete and in full force and effect by an authorised person on behalf of the Issuer; **TRANSACTION DOCUMENTS** (g) execution, delivery and stamping of the Transaction Documents (including the Debt Disclosure Documents) in a form and manner satisfactory to the Debenture Trustee; **CERTIFICATES AND CONFIRMATIONS** (h) a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures; (i) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures; (j) a copy of the consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures; (k) a copy of the tripartite agreement(s) executed between the Issuer, the Registrar and the relevant Depository; **OTHERS** (l) evidence that all "know your customer" requirements prescribed by the Debenture Trustee and the Applicants have been provided/fulfilled; (m) the audited financial statements of the Issuer for the Financial Year ended March 31, 2024; (n) a copy of the in-principle approval provided by the BSE in respect of the General Information Document; (o) a certificate from the authorised signatories of the Issuer addressed to the Debenture Trustee confirming as on the Deemed Date of Allotment/the date of the certificate: (i) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Issuer, together with the names, titles and specimen signatures of such authorised signatories; (ii) the Issuer has the power under the Constitutional Documents to borrow monies by way of the issuance of the Debentures and create the Transaction Security to secure such Debentures; (iii) the issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding

	on the Issuer to be exceeded; (iv) no consents and approvals are required by the Issuer from its creditors or any Governmental Authority or any other person for the issuance of the Debentures and creation of security under the Deed of Hypothecation; (v) the representations and warranties contained in the DTD and the other Transaction Documents are true and correct in all respects; (vi) no Event of Default has occurred or is subsisting; (vii) no Material Adverse Effect has occurred; and (viii) no investor or shareholder consent/approval, pursuant to the articles of association of the Issuer or any shareholders' agreements or other documents/instruments entered into by the Issuer and its shareholders and investors, is required for the Issuer to enter into or perform its obligations under the Transaction Documents; and (p) such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Applicants may request in connection with the transactions contemplated under the Transaction Documents.
Conditions Subsequent to Disbursement	The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, following the Deemed Date of Allotment: (a) the Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and arrangements for credit of the Debentures into the demat accounts of the relevant Debenture Holders have been made within the timelines prescribed under the SEBI Listing Timelines Requirements; (b) the Issuer shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Listing Timelines Requirements; (c) the Issuer shall file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) calendar days of the allotment of the Debentures along with a list of the Debenture Holders and with the prescribed fee; (d) if so required, the Issuer shall maintain and file a copy of Form PAS-5 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the Debentures; (e) the Issuer shall, in respect of the Deed of Hypothecation, file a copy of Form CHG-9 with ROC and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each in accordance with the timelines set out in the Deed of Hypothecation; and (f) such other information, documents, certificates, opinions and

	instruments as the Debenture Trustee and the Applicants may request in connection with the transactions contemplated under the Transaction Documents.
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer Section 8.2.6.2 below.
Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer sections named "*Default Interest Rate*" above and Section 8.2.6 below.
Provisions related to Cross Default	The below is an Event of Default. (a) The Issuer: (i) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist (whether as a result of an event of default or breach/default of any covenants/conditions, by whatever name called), the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Issuer is declared to be due and payable. (b) Any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
Roles and Responsibilities of the Debenture Trustee	In addition to the powers conferred on the Debenture Trustee in the DTD and Applicable Law, and without limiting the liability of the Debenture Trustee, it is agreed as follows: (a) the Debenture Trustee may, in relation to the DTD and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise; (b) subject to the approval of the Debenture Holders by way of a Special

		Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;
	(c)	with a view to facilitating any dealing under any provisions of the DTD or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); and (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD;
	(d)	the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;
	(e)	the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders;
	(f)	the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Companies Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof;
	(g)	subject to the approval of the Debenture Holders by way of a Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents;
	(h)	subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution

	hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holders or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (i) notwithstanding anything contained to the contrary in the DTD, the Debenture Trustee shall, before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders; (j) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving such information or document from the Issuer; (k) without prejudice to anything contained in this sub-section named "*Roles and Responsibilities of the Debenture Trustee*", the Debenture Trustee shall oversee and monitor the transaction contemplated in the Transaction Documents for and on behalf of the Debenture Holders; and (l) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Debenture Trustees Master Circular. PROVIDED THAT nothing contained in this sub-section named "*Roles and Responsibilities of the Debenture Trustee*" shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.
Risk factors pertaining to the issue	Please refer Section 4 (*Risk Factors*).
Governing Law & Jurisdiction	The Transaction Documents shall be governed by and will be construed in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Ahmedabad, India, and as more particularly provided for in the respective Transaction Documents.
Business Day Convention	(a) Interest and all other charges shall accrue based on an actual/actual basis. (b) All payments in respect of the Debentures required to be made by the Issuer shall be made on a Business Day. (c) If any Due Date on which any interest or additional interest is payable

	falls on a day which is a Sunday or is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day. (d) If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is a Sunday or is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day. (e) If the Final Redemption Date falls on a day which is a Sunday or is not a Business Day, the payment of any amounts in respect of the Outstanding Principal Amounts to be made shall be made on the preceding Business Day. (f) In the absence of anything to the contrary set out in the DTD or any other Transaction Document, if any day for performance of any acts under the Transaction Documents (other than those set out in paragraphs (c) to (e) above) falls on a day which is not a Business Day, such acts shall be performed shall be made on the succeeding Business Day.
Additional Disclosures (Security Creation)	In the event of any delay in the execution of any Transaction Document (including the DTD or the Deed of Hypothecation) or the creation and perfection of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either: (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created and perfected in terms thereof or the Secured Obligations are discharged (whichever is earlier).
Additional Disclosures (Default in Payment)	On the occurrence of a Payment Default, the Issuer agrees to pay additional interest at 2% (two percent) per annum over the Interest Rate in respect of the Debentures on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Secured Obligations are repaid (whichever is earlier), on each Interest Payment Date occurring during the aforementioned period.
Additional Disclosures (Delay in Listing)	In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the Deemed Date of Allotment until the listing of the Debentures is completed.
Declaration required by BSE Limited	(a) This Issue of Debentures does not form part of non-equity regulatory capital mentioned under Chapter V of the Debt Listing Regulations and Chapter XIII (*Issuance, listing and trading non-equity regulatory capital*) of the Listed NCDs Master Circular. (b) The face value of each debt security/Debenture issued on private placement basis under this Issue is INR 1,00,000 (Indian Rupees One Lakh).

Note:

a. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.

b. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

c. While the debt securities are secured to the extent of hundred per cent. of the amount of principal and interest or as per the terms of issue document, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained.

d. The issuer shall provide granular disclosures in their Key Information Document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

8.2 TERMS OF THE TRANSACTION DOCUMENTS

8.2.1. Representations and Warranties of the Issuer

The Issuer makes the representations and warranties set out in this Section 8.2.1 to the Debenture Trustee for the benefit of the Debenture Holders as on the Effective Date, which representations shall be deemed to be repeated on each day until the Final Settlement Date.

(a) ***Status***

(i) It is a company, duly incorporated, registered and validly existing under Applicable Law.

(ii) It is a non-deposit accepting or holding non-banking financial company registered with the RBI.

(iii) It has the power to own its Assets and carry on its business as it is being conducted.

(b) ***Binding obligations***

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) ***Non-conflict with other obligations***

The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

(i) any Applicable Law, including but not limited to laws and regulations regarding anti-money laundering or terrorism financing and similar financial sanctions;

(ii) its Constitutional Documents; or

(iii) any agreement or instrument binding upon it or any of its Assets, including but not limited to any terms and conditions of the existing Financial Indebtedness of the Issuer.

(d) ***Power and authority***

It has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, the Transaction Documents to which

it is a party and the transactions contemplated by such Transaction Documents.

(e) ***Validity and admissibility in evidence***

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Transaction Documents to which it is a party;

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

(iii) for it to carry on its business, and which are material,

have been obtained or effected and are in full force and effect.

(f) ***No default***

(i) No Event of Default or potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

(ii) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.

(g) ***Ranking***

The payment obligations of the Issuer under the Transaction Documents rank at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(h) ***No proceedings pending***

No litigation, arbitration, investigation, or administrative proceedings of or before any court, arbitral body or agency have been commenced or threatened against the Issuer, which if determined adversely, may have a Material Adverse Effect.

(i) ***No misleading information***

All information provided by the Issuer to the Debenture Trustee/Debenture Holders is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading due to omission of material fact or otherwise.

(j) ***Compliance***

(i) The Issuer has complied with Applicable Law (including but not limited to environmental, social and taxation related laws for the Issuer to carry on its business, all directions issued by the RBI to non-banking financial companies).

(ii) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.

(iii) No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.

(iv) The Issuer shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI, the BSE, CERSAI and the ROC and obtain all consents and approvals required for the completion of the Issue.

(k) ***Assets***

Except for the security interests and encumbrances created and recorded with the ROC (available on the website http://www.mca.gov.in/mcafoportal/showIndexOfCharges.do under the heading "Index of Charges"), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) ***Financial statements***

(i) Its audited financial statements most recently supplied to the Debenture Trustee as of March 31, 2024 were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.

(ii) Its audited financial statements as of March 31, 2024 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

(m) ***Solvency***

(i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.

(ii) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.

(iii) The value of the Assets of the Issuer is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

(iv) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(v) No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to

Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time).

(vi) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

(n) ***Hypothecated Assets***

(i) The Hypothecated Assets are the sole and absolute property of the Issuer and are free from any other mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.

(ii) None of the Client Loans comprising the Hypothecated Assets have been previously hypothecated, sold, transferred or assigned to any other bank or financial institution.

(iii) The Transaction Documents executed or to be executed constitute legal, valid and enforceable security interest in favour of the Debenture Trustee and for the benefit of the Debenture Holders on all the assets thereby secured and all necessary and appropriate consents for the creation, effectiveness, priority and enforcement of such security have been obtained.

(o) ***Material Adverse Effect***

(i) No fact or circumstance, condition, proceeding or occurrence exists that has a Material Adverse Effect.

(ii) No Material Adverse Effect has occurred or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures

(p) ***Illegality***

It is not unlawful or illegal for the Issuer to perform any of its obligations under the Transaction Documents.

(q) ***No filings or stamp taxes***

There are no stamp duties, registration, filings, recordings or notarizations before or with any Governmental Authority required to be carried out in India in relation to the execution and delivery of the Transaction Documents by the Issuer other than:

(i) stamping of the Transaction Documents (on or prior to execution in Ahmedabad, India) in accordance with the Gujarat Stamp Act, 1958;

(ii) payment of the stamp duty in respect of the Debentures;

(iii) filing of the return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC;

(iv) filing of the Debt Disclosure Documents with the ROC and SEBI;

(v) filing of Form CHG 9 with the ROC within 30 (thirty) days from the date of creation of security interest; and

(vi) filing of Form I with CERSAI by the Debenture Trustee in respect of each instance of creation of security interest.

(r) ***Confirmations pursuant to the Debt Listing Regulations***

With effect from the date of filing of the draft Debt Disclosure Documents with the BSE, as on the date of filing of the draft Debt Disclosure Documents with the BSE in accordance with the Debt Listing Regulations:

(i) the Issuer, the Promoters of the Issuer, the Promoter Group of the Issuer or the directors of the Issuer have not been debarred from accessing the securities market or dealing in securities by SEBI;

(ii) no Promoter of the Issuer or director of the Issuer is a promoter or director of any another company which is debarred from accessing the securities market or dealing in securities by SEBI;

(iii) no Promoter of the Issuer or director of the Issuer is a fugitive economic offender; and

(iv) no fines or penalties levied by SEBI or any of the stock exchanges is pending to be paid by the Issuer.

(s) ***SCORES Authentication***

The Issuer has received the Securities and Exchange Board of India Complaints Redress System (SCORES) authentication prior to the Deemed Date of Allotment.

(t) ***Nature of representations and warranties***

The Issuer represents and warrants the matters set out in this Section 8.2.1 as on the Effective Date, which representations and warranties shall be deemed to be repeated on each day until the Final Settlement Date.

8.2.2. **Financial Covenants**

(a) Until the Final Settlement Date, the Issuer shall:

(i) maintain a Capital Adequacy Ratio of at least 18% (eighteen percent) or such other threshold as may be prescribed by the RBI from time to time, whichever is higher;

(ii) maintain the ratio of the Total Debt of the Issuer to the Equity of the Issuer of not more than 5 (five) times;

(iii) maintain the ratio of A:B of less than or equal to 5% (five percent), where A is the Gross NPA of the Issuer, and B is the Assets Under Management of the Issuer, multiplied by 100 (one hundred), and followed by the "%" symbol;

(iv) maintain the ratio of A:B of less than or equal to 3% (three percent), where A is the Net NPA of the Issuer, and B is the Assets Under Management of the Issuer, multiplied by 100 (one hundred), and followed by the "%" symbol;

(v) ensure that it maintains the aggregate Equity of at least INR 1,000,00,00,000 (Indian Rupees One Thousand Crore); and

(vi) ensure that its profit after tax (on a standalone basis), determined in accordance with Applicable Accounting Standards, remains positive.

(b) The financial covenants set out in this Section 8.2.2 (*Financial Covenants*) shall be tested, until the Final Settlement Date, on a quarterly basis, i.e., as on each Quarterly Date, on the basis of consolidated and standalone financial statements of the Issuer.

8.2.3. **Reporting Covenants**

The Issuer shall provide or cause to be provided to the Debenture Trustee and to the Debenture Holders (including on any online reporting platform notified by the Debenture Trustee or any Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

(a) as soon as available, and in any event within 180 (one hundred and eighty) calendar days after the end of each Financial Year of the Issuer:

(i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed Financial Year, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow.

All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flow and a list comprising all material financial liabilities of the Issuer whether absolute or contingent as of the date thereof; and

(ii) a certificate from an authorized officer of the Issuer confirming that there is no existing potential Event of Default or Event of Default;

(b) within 60 (sixty) calendar days after each Quarterly Date:

(i) certified copies of its un-audited consolidated and non-consolidated (if any) quarterly financial statements for the preceding fiscal quarter, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow;

(ii) details of operations, portfolio growth and asset quality (including static portfolio cuts, collection efficiency and portfolio at risk data), funding data, and asset liability management (ALM) data, in such form and manner as may be acceptable to the Debenture Holders;

(iii) copies of the quarterly returns filed with the RBI and SEBI; and

(iv) a certificate signed by a director or the chief financial officer of the Issuer stating that the Issuer is in compliance with all the financial covenants prescribed in Section 8.2.2 (*Financial Covenants*);

(c) as soon as practicable, and in any event within 30 (thirty) Business Days after the Issuer obtains actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;

(d) as soon as practicable, and in any event within 30 (thirty) Business Days after the Issuer obtains actual knowledge thereof, any notices, orders or directions any court or tribunal in relation to any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations (included the Hypothecated Assets), which, if adversely determined, could result in a Material Adverse Effect;

(e) as soon as practicable, and in any event within 30 (thirty) Business Days after the Issuer obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default including any steps taken to cure such event;

(f) as soon as practicable, and in any event within 30 (thirty) Business Days, any prepayment, or the receipt of notice of any Financial Indebtedness of the Issuer declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;

(g) as soon as practicable, and in any event within 30 (thirty) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness by the Issuer or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity in respect of the Issuer;

(h) as soon as practicable, and in any event within 30 (thirty) Business Days of receiving any notice of any application for winding up/insolvency having been made or any notice of winding up or insolvency under the provisions of the Companies Act or the (Indian) Insolvency and Bankruptcy Code, 2016 or any other statute relating to winding up/insolvency or otherwise of any suit or other legal process intended to be filed or initiated against the Issuer;

(i) as soon as practicable and in any event within 30 (thirty) Business Days of the occurrence of:

(i) any change in the board of directors of the Issuer;

(ii) any change in the accounting policy of the Issuer;

(iii) any change in senior management officials of the Issuer being the chief executive officer or any other official discharging similar functions and responsibilities;

(iv) details of the occurrence of any fraud amounting to more than 1% (one percent) of the Gross Loan Portfolio; and

(v) any change in the Constitutional Documents of the Issuer other than in respect of an increase in its authorized capital for any equity raise by the Issuer in the ordinary course of business which does not result in a Change of Control;

(j) without prejudice to paragraphs (k) and (l) below, within such timelines as may be prescribed by the Debenture Trustee, provide all relevant information required by the Debenture Trustee for the effective discharge of its duties and obligations under the Transaction Document, including but not limited to the copies of all reports, balance sheets and the profit and loss account of the Issuer;

(k) without prejudice to paragraph (j) above and paragraph (l) below, as soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time; and

(l) as soon as practicable and in any event within the timelines prescribed by the Debenture Trustee (and Applicable Law), such other information, notifications, details, documents, reports, statements and certificates (including from chartered accountants, auditors and/or directors of the Issuer) as may be required by the Debenture Trustee from time to time, to ensure compliance with the provisions of the Applicable Law, including but not limited to the Debenture Trustees Regulations and the Companies (Share Capital and Debentures) Rules, 2014.

8.2.4. **Affirmative Covenants**

The Issuer hereby covenants and undertakes as follows:

(a) ***Use of Proceeds***

The Issuer shall use the proceeds of the Issue only for the Purpose and in accordance with Applicable Law and the Transaction Documents.

(b) ***Notice of Winding up or other Legal Process***

The Issuer shall promptly, and in any case not later than 30 (thirty) Business Days of occurrence, inform the Debenture Trustee if it has received:

(i) any notice of any application for winding up or insolvency process or any statutory notice of winding up or insolvency process under the provisions of the Companies Act or any other Applicable Law (including the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time); or

(ii) any other notice under any other statute relating to the commencement/initiation of winding up or insolvency process or otherwise of any suit or other legal process against the Issuer.

(c) ***Loss or Damage by Uncovered Risks***

The Issuer shall promptly inform the Debenture Trustee and the Debenture Holders of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties.

(d) ***Costs and Expenses***

The Issuer shall pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs.

(e) ***Payment of Rents, etc.***

The Issuer shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when such amounts are payable.

(f) ***Preserve Corporate Status***

The Issuer shall:

(i) diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;

(ii) comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and

(iii) not do or voluntarily suffer or permit to be done any act or thing whereby its right

to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed.

(g) ***Pay Stamp Duty***

The Issuer shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned amounts to the Debenture Trustee on demand.

(h) ***Furnish Information to Debenture Trustee***

The Issuer shall:

(i) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Issuer or to investigate the affairs of the Issuer;

(ii) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(iii) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require for the purpose of filing any relevant forms with any Governmental Authority (including but not limited to the CERSAI) in relation to the Debentures and the Hypothecated Assets;

(iv) furnish quarterly reports to the Debenture Trustee (as may be required in accordance with Applicable Law) containing the following particulars:

(A) updated list of the names and addresses of the Debenture Holders;

(B) details of the interest due, but unpaid and reasons thereof;

(C) the number and nature of grievances received from the Debenture Holders and resolved and unresolved by the Issuer along with the reasons for the same; and

(D) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due; and

(v) inform and provide the Debenture Trustee with applicable documents in respect of the following:

(A) notice of any Event of Default or potential Event of Default; and

(B) any and all information required to be provided to the Debenture Holders under Applicable Law and the listing agreement to be entered into between the Issuer and the BSE.

(i) ***Redressal of Grievances***

The Issuer shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Issuer further undertakes that it shall promptly comply with

the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.

(j) ***Comply with Investor Education and Protection Fund Requirements***

The Issuer shall comply with the provisions of the Companies Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund ("**IEPF**"), if applicable to it. The Issuer hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority.

(k) ***Corporate Governance; Fair Practices Code***

The Issuer shall comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the RBI, SEBI, any stock exchange, or any Governmental Authority) and the fair practices code prescribed by the RBI.

(l) ***Further Assurances***

The Issuer shall:

(i) provide details of any litigation, arbitration or administrative proceedings that if determined adversely could have a Material Adverse Effect on the Issuer;

(ii) comply with any monitoring and/or servicing requests from Debenture Holders;

(iii) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Applicable Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(iv) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under the DTD or to ensure the legality, validity, enforceability or admissibility in evidence in India of the DTD;

(v) comply with:

(A) all Applicable Law (including but not limited to the Companies Act, SEBI Listed Debentures Circulars, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;

(B) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 of the Debenture Trustees Regulations thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

(C) the provisions of the Companies Act in relation to the Issue;

(D) procure that the Debentures are rated and continue to be rated until the Final Settlement Date;

(E) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Issuer shall do so in the manner that is most tax efficient for the Debenture Holders but without, in any way requiring the Issuer to incur any additional costs, expenses or taxes and the Issuer shall avail of all the benefits available under any treaty applicable to the Issuer and/or the Debenture Holders; and

(F) if so required, the requirements prescribed under Chapter XI (*Operational framework for transactions in defaulted debt securities post maturity date/ redemption date*) of the Listed NCDs Master Circular, and provide all details/intimations to the Debenture Trustee, the Depositories, and BSE (as the case may be) in accordance with the aforementioned requirements; and

(vi) it will provide all necessary assistance and cooperation to, and permit the Debenture Trustee to conduct periodical checks, verifications, due diligence and other inspections (at such frequency and within such timelines as may be determined by the Debenture Trustee) in respect of the books and accounts of the Issuer and the Hypothecated Assets.

(m) ***Security***

The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows:

(i) the Debentures shall be secured by a first ranking exclusive and continuing security by way of a first ranking exclusive and continuing charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders on or prior to the Deemed Date of Allotment;

(ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;

(iii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;

(iv) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;

(v) to create the security over the Hypothecated Assets as contemplated in the Transaction Documents on or prior to the Deemed Date of Allotment by executing the duly stamped Deed of Hypothecation;

(vi) to register and perfect the security interest created pursuant to the Deed of Hypothecation by filing Form CHG-9 with the concerned ROC and provide all information and assistance that the Debenture Trustee may require, to enable it to file the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Deed of Hypothecation;

(vii) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which charge is

created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover;

(viii) to keep the Application Money in a separate bank account in the event the DTD and the other Transaction Documents are not executed on or before the Deemed Date of Allotment;

(ix) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables/Client Loans to the Hypothecated Assets so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents. It is hereby clarified that, in the event the Client Loans comprising the Hypothecated Assets are overdue beyond 30 (thirty) days, the Issuer will promptly and in no case later than 15 (fifteen) days of the occurrence of the above event or such other time period as may be prescribed by the Debenture Holders, ensure that the value of the Hypothecated Assets equals or exceeds the stipulated Security Cover by creating a charge by way of hypothecation over additional or new Client Loans that fulfil the eligibility criteria prescribed under the Transaction Documents;

(x) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;

(xi) furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;

(xii) furnish and execute all necessary documents to give effect to the Hypothecated Assets;

(xiii) the security interest created on the Hypothecated Assets shall be a continuing security;

(xiv) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation;

(xv) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/ or the Debenture Holders;

(xvi) the Debenture Holders shall have a beneficial interest in the Hypothecated Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the DTD; and

(xvii) to forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets.

(n) ***Execution of Transaction Documents/Creation of Security***

In the event of any delay in the execution of any Transaction Document (including the DTD or the Deed of Hypothecation) or the creation and perfection of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either:

(i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or

(ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created and perfected in terms thereof or the Secured Obligations are discharged (whichever is earlier).

(o) ***Internal Control***

The Issuer shall maintain internal control for the purpose of:

(i) preventing fraud on amounts lent by the Issuer; and

(ii) preventing money being used for money laundering or illegal purposes.

(p) ***Audit and Inspection***

The Issuer shall permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them.

(q) ***Books and Records***

The Issuer shall maintain its accounts and records in accordance with Applicable Law.

(r) ***Access; Periodic Portfolio Monitoring***

The Issuer shall provide the Debenture Trustee and the Debenture Holders and any of their representatives, professional advisers and contractors with access to and/or permit them to, at the cost of the Issuer:

(i) examine and inspect the books and records, office premises, and the premises of the Issuer;

(ii) portfolio data in the format prescribed by the Debenture Holders from time to time; and

(iii) discuss the affairs, finances and accounts of the Issuer, and be advised as to the same, by the relevant officers.

(s) ***Listing and Monitoring Requirements***

The Issuer shall comply with all covenants, undertakings and requirements set out in Section 8.2.7 (*Listing and Monitoring Requirements*).

(t) ***Control; Shareholding***

The Issuer covenants to, and shall ensure and procure that, until the Final Settlement Date, the Identified Promoters shall continue to maintain Control in the Issuer, and shall hold at least 51% (fifty one percent) of equity shares of the Issuer (on a fully diluted basis).

(u) ***Investments***

The Issuer shall ensure that the aggregate investments made by it in its group companies (including but not limited to MAS Rural Housing and Mortgage Finance Limited) does not

exceed 10% (ten percent) of the Issuer's Net Worth.

8.2.5. **Negative Covenants**

The Issuer shall not take any action in relation to the items set out in this Section 8.2.5 (*Negative Covenants*) without the prior written consent of the Debenture Trustee (acting on the instructions of Majority Debenture Holders). In relation to the consent requirement under this Section 8.2.5 (*Negative Covenants*), it is agreed as follows:

(A) any request for consent under in relation to any matter under this Section 8.2.5 (*Negative Covenants*) shall be sent simultaneously by the Issuer to both the Debenture Trustee and the Debenture Holders. Any request under this Section 8.2.5 (*Negative Covenants*) must be accompanied by all relevant information substantiating the request to enable the Debenture Holders to make a reasoned decision; and

(B) within 15 (fifteen) calendar days after receiving any request mentioned in paragraph (A) above (or such additional time period as may be mutually agreed between the Issuer and the Majority Debenture Holders), the Debenture Holders shall communicate their consent/dissent to the Debenture Trustee and the Issuer.

PROVIDED THAT in respect of any of the matters set out in this Section 8.2.5 (*Negative Covenants*) where no consent/dissent is provided by the Majority Debenture Holders within the time period mentioned in paragraph (B) above, the Issuer may proceed with the action for which consent is required in respect of any of the matters set out in this Section 8.2.5 (*Negative Covenants*) provided such action does not result in an Event of Default.

(a) ***Change of Business/Constitutional Documents***

(i) change the general nature of its business from that which is permitted as a non-deposit accepting or holding non-banking financial company registered with the RBI; or

(ii) any diversification of its business outside from that which is permitted as a non-deposit accepting or holding non-banking financial company registered with the RBI;

(b) ***Dividend***

if (i) a Payment Default has occurred and is continuing, or (ii) the Issuer fails to create or maintain the Transaction Security in accordance with the terms of the Transaction Documents, declare or pay any dividend to its shareholders (including holders of preference shares) during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/Debenture Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof;

(c) ***Merger, Consolidation, etc.***

in any Financial Year:

(i) undertake or permit any merger, acquisition, investment, re-structuring or amalgamation in excess of 15% (fifteen percent) of the Net Worth of the Issuer; or

(ii) enter into any merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

PROVIDED THAT the foregoing shall not apply in case where the Issuer not entering into any such any merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction, may result in an Event of Default or potential Event of Default;

(d) ***Change of Control***

permit the occurrence of any Change of Control, or any Change of Control Event;

(e) ***Promoter Shareholding***

issue any additional shares or equity interests or permit any of its existing shares or equity interests to be transferred, sold, pledged or otherwise encumbered which would lead to the Identified Promoters, directly or indirectly:

(i) holding less than 51% (fifty one percent) of the shareholding of the Issuer (on a fully diluted basis); or

(ii) ceasing to Control the Issuer;

(f) ***Disposal of Assets***

sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Issuer (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect) that has the effect of exiting the current business of the Issuer or re-structuring of the existing business. PROVIDED THAT the foregoing shall not apply to any securitization/portfolio sale of assets undertaken by the Issuer in its ordinary course of business;

(g) ***Anti-money Laundering***

permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering;

(h) ***Change in Capital Structure***

(i) permit or undertake any change in capital structure that would lead to a reduction in the paid-up capital or authorized capital of the Issuer;

(ii) purchase, buyback, or retire any of its issued shares or reduce its share capital or resolve to do any of the foregoing; or

(i) ***Change in Financial Year***

change its Financial Year end from March 31 of each year to any other date, unless such change is required pursuant to Applicable Law.

8.2.6. **Events of Default**

8.2.6.1. **Consequences and Remedies of an Event of Default**

If one or more Events of Default occur(s), the Debenture Trustee may, on the instructions of the Majority Debenture Holders in accordance with the DTD, by a notice in writing to the Issuer initiate the following course of action:

(a) require the Issuer to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest and other costs, charges and expenses incurred under or in connection with the DTD and the other Transaction Documents;

(b) accelerate the redemption of the Debentures and declare all or any of the Debentures to be due and payable immediately (or such date as may be prescribed by the Debenture Trustee), whereupon it shall become so due and payable;

(c) enforce the security interest created under the Transaction Documents (including in respect of the Transaction Security) in accordance with the terms of the Transaction Documents;

(d) take any actions in respect of Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular in accordance with the provisions of the DTD;

(e) take all such other action as is expressly permitted under the DTD or in the other Transaction Documents or permitted under Applicable Law; and/or

(f) exercise any other right that the Debenture Trustee and/or the Debenture Holders may have under Applicable Law for the purposes of protecting the interests of the Debenture Holders.

8.2.6.2. **Events of Default**

Each of the events or circumstances set out in this Section 8.2.6.2 (*Events of Default*) below is an Event of Default.

(a) ***Payment Defaults***

The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (three) days of such Due Date.

(b) ***Insolvency/Inability to Pay Debts***

The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.

(c) ***Business***

The Issuer without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

(d) ***Misrepresentation***

Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(e) ***Material Adverse Effect***

The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

(f) ***Cross Default***

(i) The Issuer:

(A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or

(B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist (whether as a result of an event of default or breach/default of any covenants/conditions, by whatever name called), the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Issuer is declared to be due and payable.

(ii) Any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(g) ***Liquidation, Insolvency or Dissolution of the Issuer / Appointment of Receiver, Resolution Professional or Liquidator***

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;

(ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;

(iii) the appointment of a liquidator, receiver, resolution professional, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer;

(iv) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework);

(v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Issuer;

(vi) enforcement of any security over any Assets of the Issuer or any analogous procedure or step is taken in any jurisdiction; or

(vii) any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in (i) to (vi) above.

(h) ***Creditors' Process and Expropriation***

Any expropriation, attachment, garnishee, sequestration, distress or execution affects any material Assets of the Issuer and is not discharged within 30 (thirty) calendar days or as otherwise provided in any order of any competent court or tribunal relating to the aforementioned actions.

(i) ***Judgment Defaults***

One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Issuer provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) calendar days.

(j) ***Transaction Documents***

The DTD or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.

(k) ***Unlawfulness***

It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable.

(l) ***Repudiation***

The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(m) ***Security in Jeopardy***

In the opinion of the Debenture Trustee any of the Hypothecated Assets are in jeopardy.

(n) ***Security***

(i) The Issuer fails to create and perfect security within the timelines prescribed in the Transaction Documents and/or in the manner prescribed in the Transaction Documents.

(ii) The value of the Hypothecated Assets is insufficient to maintain the Security Cover or the Issuer fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the timelines prescribed in the relevant Transaction Documents.

(iii) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable.

(iv) The Issuer creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee.

(o) ***Authorisations***

The withdrawal, failure of renewal, or failure to obtain all approvals, authorizations, consents, permits (third party, statutory or otherwise) required in any relevant jurisdiction for the Debentures or the Transaction Security.

(p) ***Breach of other Covenants***

Any breach of any covenant or undertaking of the Issuer in the Transaction Documents (other than paragraphs (a) to (o) above) which is not cured within 30 (thirty) days of occurrence or such other time period as may be prescribed by the Debenture Holders in their sole discretion.

8.2.6.3. **Notice on the Occurrence of an Event of Default**

(a) If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has occurred, the Issuer shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such event or Event of Default.

(b) In addition to the foregoing, in accordance with Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular, the Debenture Trustee shall send a notice to the Debenture Holders within 3 (three) days of the occurrence of an Event of Default, in accordance with the mode of delivery of notice mentioned therein, convening a meeting within 30 (thirty) days of the occurrence of an Event of Default. PROVIDED THAT if the Event of Default is cured or rectified within the intervening period between the date of the aforementioned notice from the Debenture Trustee to the date the aforementioned meeting is convened, no such meeting of the Debenture Holders shall be required. The Debenture Trustee shall maintain the details of the providing and receipt of such notice in accordance with Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular.

8.2.6.4. **Additional obligations of the Debenture Trustee**

In respect of Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular, the entering into, and the performance of any obligations under any inter-creditor agreement (pursuant to the Stressed Assets Framework) or any resolution plan shall be subject to the terms of Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular (including without limitation, the resolution plan being finalised within the time period prescribed in Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular, and exiting of the inter-creditor agreement on the occurrence of the matters prescribed under Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular).

8.2.7. **Listing and Monitoring Requirements**

8.2.7.1. ***Monitoring***

The Issuer will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary continuous and periodic due diligence and monitor the security cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Debenture Trustees Master Circular, the Issuer undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to BSE in accordance with Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Debenture Trustees Master Circular:

(a) a security cover certificate on a quarterly basis, within (i) 75 (seventy five) days from each

Quarterly Date (other than March 31 of the relevant calendar year), and (ii) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law, in the format prescribed in the SEBI Debenture Trustees Master Circular;

(b) (to the extent applicable) a statement of the value of the pledged securities on a quarterly basis, within (i) 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant calendar year), and (ii) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law;

(c) (to the extent applicable) a statement of the value of the debt service reserve account or any other form of security offered on a quarterly basis, within (i) 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant calendar year), and (ii) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law;

(d) (to the extent applicable) a net worth certificate of the guarantor who has provided a personal guarantee in respect of the Debentures on a half yearly basis, within 75 (seventy five) days from the end of each financial half-year or such other timelines as may be prescribed under Applicable Law;

(e) (to the extent applicable) the financials/value of guarantor prepared on the basis of audited financial statement etc. of the guarantor who has provided a corporate guarantee in respect of the Debentures on an annual basis, within 75 (seventy five) days from the end of each Financial Year or such other timelines as may be prescribed under Applicable Law; and

(f) (to the extent applicable) the valuation report and title search report for the immovable/movable assets, as applicable, once in 3 (three) years, within 75 (seventy five) days from the end of the Financial Year or such other timelines as may be prescribed under Applicable Law.

8.2.7.2. ***Recovery Expense Fund***

(a) The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular, establish, maintain and utilize the Recovery Expense Fund in such manner/mode as is prescribed under Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular, to enable the Debenture Trustee to take prompt action in relation to the enforcement/legal proceedings under the Transaction Documents.

(b) The Issuer shall deposit cash or cash equivalents including bank guarantees towards the contribution to Recovery Expense Fund with the designated stock exchange and submit relevant documents evidencing the same to the Debenture Trustee from time to time.

(c) The Issuer shall ensure that any bank guarantees provided in respect of the Recovery Expense Fund remain valid for a period of 6 (six) months following the maturity date of the Debentures. The Issuer shall keep the bank guarantees in force and renew the bank guarantees at least 7 (seven) working days before its expiry, failing which the designated stock exchange may invoke such bank guarantee.

(d) On the occurrence of any Event of Default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement/legal proceedings and shall inform the designated stock exchange of such occurrence and the obtaining of any consent in respect thereof (if any). The amount lying in the Recovery Expense Fund may be released to the Debenture Trustee within such time period and such manner as may be prescribed under Chapter IV (*Recovery Expenses Fund*) of the SEBI Debenture Trustees Master Circular. The Debenture Trustee shall keep a proper account of all expenses incurred out of the funds received

from Recovery Expense Fund towards enforcement/legal proceedings under the Transaction Documents.

(e) The amounts in the Recovery Expense Fund shall be refunded to the Issuer on repayment/redemption of the Debentures, following which a "no objection certificate" shall be issued by the Debenture Trustee(s) to the designated stock exchange. The Debenture Trustee shall ensure that there is no default on any other listed debt securities of the Issuer before issuing such "no objection certificate".

8.2.7.3. ***Requirements under the LODR Regulations***

The Issuer agrees, declares and covenants with the Debenture Trustee that it will comply with all relevant requirements prescribed under the LODR Regulations applicable to it (including without limitation, Chapter IV of the LODR Regulations (to the extent applicable) and Chapter V of the LODR Regulations (to the extent applicable)).

8.2.7.4. ***Due Diligence***

(a) The Issuer acknowledges, understands, and confirms that:

(i) the Debenture Trustee shall carry out due diligence on continuous basis to ensure compliance by the Issuer, with the provisions of the Companies Act, the LODR Regulations, the Debt Listing Regulations, the Debenture Trustees Regulations, the SEBI Listed Debentures Circulars, the listing agreement of the stock exchange(s) where the Debentures are listed, the Transaction Documents, and any other regulations issued by SEBI pertaining to the Issue;

(ii) for the purposes of carrying out the due diligence as required in terms of the SEBI Listed Debentures Circulars, the Debenture Trustee, either through itself or its agents, advisors, consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts, management consultants appointed by the Debenture Trustee; and

(iii) the Debenture Trustee may at any time through its authorized representatives and agents, inspect books of account, records, registers of Company and the trust property (as set out in the DTD) to the extent necessary for discharging its obligations. The Issuer shall provide full and unimpeded access to the records, registers and books of accounts and facilitate in the inspection and due diligence process. Any fees, costs expenses incurred in conducting such inspection/due diligence process shall be fully borne by the Issuer. In the event, any fees, costs expenses are borne by the Debenture Trustee, the above shall be reimbursed forthwith by the Issuer upon request.

(b) The Issuer shall submit information, representations, confirmations, disclosures and documents as the Debenture Trustee may require, within such time period as may be required by the Debenture Trustee, to conduct continuous and periodical due diligence and monitoring of the Transaction Security or the assets on which security interest/charge is created, in accordance with Applicable Law, which shall, *inter alia*, include:

(i) periodical status/performance reports from the Issuer within 7 (seven) days of the relevant board meeting of the Issuer or within 45 (forty five) days of the respective quarter, whichever is earlier;

(ii) details with respect to defaults, if any, with regard to payment of interest or redemption of Debentures;

(iii) details with respect to the implementation of the conditions regarding creation of

the Transaction Security for the Debentures, debenture redemption reserve and Recovery Expense Fund;

(iv) details with respect to the assets of the Issuer and of the guarantors (to the extent applicable) to ensure that they are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the Debenture Holders;

(v) reports on the utilisation of funds raised by the issue of Debentures;

(vi) details with respect to conversion or redemption of the Debentures;

(vii) (to the extent applicable) details with respect to dispatch of the debenture certificates and interest warrants, credit of the debentures in the demat account of the Debenture Holders and payment of amounts upon redemption of Debentures to the Debenture Holders due to them within the stipulated time period in accordance with the Applicable Law;

(viii) (to the extent applicable) reports from the lead bank regarding the progress of the project relating to the proceeds of the Issue;

(ix) details regarding monitoring of utilisation of funds raised in the issue of the Debentures;

(x) (to the extent applicable) certificate from the statutory auditors of the Issuer (A) in respect of utilisation of funds during the implementation period of the project relating to the proceeds of the Issue, and (B) in the case of Debentures issued for financing working capital, at the end of each accounting year; and

(xi) such other documents or information as may be required by the Debenture Trustee in accordance with the Applicable Law.

(c) Without prejudice to any other provision of the DTD and the other Transaction Documents, the Issuer shall:

(i) provide such documents/information and assistance to the Debenture Trustee as may be required by the Debenture Trustee to carry out the necessary due diligence and monitor the security cover on a quarterly basis in the manner as may be specified by SEBI from time to time;

(ii) to the extent applicable, submit a certificate from the statutory auditor on a half-yearly basis, regarding the maintenance of security cover in accordance with the terms of the Debt Disclosure Documents and the other Transaction Documents including compliance with the covenants of the Debt Disclosure Documents and the other Transaction Documents in the manner as may be specified by SEBI from time to time;

(iii) submit the following reports/certification (to the extent applicable) to the Debenture Trustee within the timelines mentioned below:

REPORTS/CERTIFICATES	TIMELINES FOR SUBMISSION REQUIREMENTS TO THE DEBENTURE TRUSTEE	TIMELINE FOR SUBMISSION OF REPORTS/CERTIFICATIONS BY DEBENTURE TRUSTEE
Security cover certificate	Quarterly basis within 60 (sixty) days from each Quarterly Date or such	Quarterly basis within (A) 75 (seventy five) days from each Quarterly Date (other than

REPORTS/CERTIFICATES	TIMELINES FOR SUBMISSION REQUIREMENTS TO THE DEBENTURE TRUSTEE	TIMELINE FOR SUBMISSION OF REPORTS/CERTIFICATIONS BY DEBENTURE TRUSTEE
	other timelines as prescribed under Applicable Law or as may be mutually agreed between the Issuer and the Debenture Trustee.	March 31 of the relevant calendar year), and (B) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) A statement of value of pledged securities	Quarterly basis within 60 (sixty) days from each Quarterly Date or such other timelines as prescribed under Applicable Law or as may be mutually agreed between the Issuer and the Debenture Trustee.	Quarterly basis within (A) 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant calendar year), and (B) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) A statement of value for Debt Service Reserve Account or any other form of security offered	Quarterly basis within 60 (sixty) days from each Quarterly Date or such other timelines as prescribed under Applicable Law or as may be mutually agreed between the Issuer and the Debenture Trustee.	Quarterly basis within (A) 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant calendar year), and (B) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) Net worth certificate of guarantor (secured by way of personal guarantee)	Half yearly basis within 60 (sixty) days from end of each half-year or such other timelines as prescribed under Applicable Law or as may be mutually agreed between the Issuer and the Debenture Trustee.	Half yearly basis within 75 (seventy five) days from the end of each financial half-year or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor (secured by way of corporate guarantee)	Annual basis within 60 (sixty) days from end of each Financial Year or such other timelines as prescribed under Applicable Law or as may be mutually agreed between the Issuer and the Debenture Trustee.	Annual basis within 75 (seventy five) days from the end of each Financial Year or within such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) Valuation report and title search report for the immovable/movable assets, as applicable	Within such timelines as prescribed under Applicable Law or within such timelines as may be mutually agreed between the Issuer and the Debenture Trustee.	Once in 3 (three) years, within 75 (seventy five) days from the end of the Financial Year or such other timelines as may be prescribed under Applicable Law.

(iv) comply with all requirements under the SEBI Debenture Trustees Master Circular, and provide all documents/information as may be required in accordance with the SEBI Debenture Trustees Master Circular.

8.2.7.5. ***Forensic Audit***

In case of initiation of forensic audit (by whatever name called) in respect of the Issuer, the Issuer shall provide following information and make requisite disclosures to the stock exchanges:

(a) the details of initiation of forensic audit along-with name of entity initiating the audit and reasons for such forensic audit, if available; and

(b) the final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Issuer along with comments of the management of the Issuer, if any.

8.2.7.6. ***Others***

(a) The Issuer shall ensure due compliance and adherence to the SEBI Listed Debentures Circulars in letter and spirit.

(b) To the extent applicable and required in terms of Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular, the Debenture Trustee shall execute an "inter creditor agreement" in the manner prescribed under Chapter X (*Breach of Covenants, Default and Remedies*) of the SEBI Debenture Trustees Master Circular.

(c) To the extent required/applicable, the Issuer shall provide intimation to the Debenture Trustee regarding (i) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Issuer, and (ii) all covenants of the issue (including side letters, event of default provisions/clauses etc.).

(d) The Issuer shall promptly disclose and furnish to the Debenture Trustee, all documents/ information about or in relation to the Issuer or the Debentures, as requested by the Debenture Trustee to fulfil its obligations hereunder or to comply with any Applicable Law, including in relation to filing of its reports/ certification to stock exchange within the prescribed timelines.

(e) The Issuer and the Debenture Trustee hereby agree and covenant to comply with the requirements prescribed under Chapter III (*Security and Covenant Monitoring System*) of the SEBI Debenture Trustees Master Circular in respect of the Debentures and the transactions contemplated in the Transaction Documents.

SECTION 9: OTHER INFORMATION AND APPLICATION PROCESS

Please refer the application procedure set out in Section 9 of the General Information Document. Certain additional details are set out below.

9.1 Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the Applicant's bank, type of account and account number must be duly completed by the Applicant. This is required for the Applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Requirements by placing bids on the EBP Platform during the Issue period. The Issuer will make the bidding announcement on the EBP Platform at least 1 (one) Business Day before initiating the bidding process in accordance with the EBP Requirements. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one-time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Requirements are set out herein below:

Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)	10,000 (ten thousand) rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) and an aggregate nominal value of INR 100,00,00,000 (Indian Rupees One Hundred Crore). Green Shoe Option: Not Applicable.
Interest Rate Parameter	Fixed coupon (being, 8.45% (eight decimal four five percent) per annum, payable monthly).
Bid opening and closing date	Bid opening date: November 27, 2024 Bid closing date: November 27, 2024
Minimum Bid Lot	Minimum application shall not be less than INR 1,00,00,000 (Indian Rupees One Crore) (being 100 (one hundred) Debentures) and in multiples of 1 (one) Debenture thereafter.
Manner of bidding in the Issue	Open Bidding
Manner of allotment in the Issue	Uniform Yield Allotment
Manner of settlement in the Issue	Pay-in of funds through ICCL. The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Settlement Cycle	T+1, where "T" refers to the date of bidding. Settlement of the Issue will be on November 28, 2024.

Pay-in date	November 28, 2024 (i.e., T+1, where "T" refers to the date of bidding)
Anchor Portion Details (if any)	Not Applicable

Process flow of settlement:

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Key Information Document along with the PPOA have been issued by the Issuer and who have submitted/shall submit the Application Form ("**Successful Bidders**"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out in the section named "INSTRUCTIONS" of the Application Form, on or before 10:30 hours on the pay-in date.

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Name of the beneficiary	MAS FINANCIAL SERVICES LIMITED - DEBENTURE APPLICATION MONEY ACCOUNT
Name of the Bank	IDBI BANK
Branch Address:	CG ROAD AHMEDABAD
IFSC Code	IBKL0000009
Account Number	0009102000079709

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Requirements and other Applicable Law.

9.2 Eligible Investors should refer to the Operational Guidelines

The details of the Issue shall be entered on the EBP Platform by the Issuer in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform.

9.3 Application Procedure

The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, and the procedure will be subject to the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Potential Investors may also be invited to subscribe by way of the Application Form prescribed in this Key Information Document during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons.

9.4 Fictitious Applications

All fictitious applications will be rejected. Each Eligible Investor shall provide a confirmation to the EBP that it is not using any software, algorithm, "Bots" or other automation tools, which would give unfair access for placing bids on the EBP Platform.

9.5 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. The allotment and settlement amount for the bidders shall be determined in accordance with the EBP Requirements and the operational guidelines issued by the relevant EBP. The bids for the purposes allotment and settlement shall be arranged on a "price time priority" basis in accordance with the EBP Requirements. If two or more bids made by Eligible Investors have the same coupon/ price/spread and time, then allotment shall be done on a "pro rata" basis. The investors will be required to remit the funds in the account of the ICCL as well as submit the duly completed Application Form along with other necessary documents to the Issuer by the Deemed Date of Allotment.

If so required by the Issuer, within 1 (one) Business Day of completion of the allotment, to enable the Issuer to comply with the requirements applicable to it under the EBP Requirements, successful Applicants shall provide the following details (in the form specified below) to the Issuer:

Details of Investors to whom allotment has been made			
Name	**QIB/ Non-QIB**	**Category i.e. Scheduled Commercial Banks, MF, Insurance Company, Pension Fund, Provident Fund, FPI, PFI, Corporate, Others**	**Amount invested (in Rs. Crore)**

9.6 Payment Instructions

The Application Form should be submitted directly. The entire amount of INR 1,00,000 (Indian Rupees One Lakh) per Debenture is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date in the account of ICCL mentioned under Section 9.1 above.

9.7 Eligible Investors

As prescribed in the EBP Requirements, "Qualified Institutional Buyers" or "QIBs" (as defined in the EBP Requirements) and non-QIBs authorized by an issuer to participate on an issuer on the EBP Platform are eligible participants (i.e., bidders) on an EBP Platform to participate in a particular issue on the EBP Platform. In furtherance of the above, to the extent applicable, the following categories of Investors ("**Eligible Investors**"), when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them and by completing the participation/nodding requirements prescribed for the EBP Platform and/or by submitting all the relevant documents along with the Application Form:

(a) Qualified Institutional Buyers ("**QIBs**");
(b) Any non-QIB including inter-alia resident individual investors, Hindu Undivided Families (excluding minors and NRIs), Partnership Firms and Limited Liability partnership firms, Trusts (including public charitable trusts), association of persons, societies registered under the Applicable Laws in India, companies, bodies corporate etc, who/ which has been authorized by the Issuer, to participate in a particular issue on the EBP platform. and
(c) any other person eligible to invest in the Debentures.

By participating/bidding in the EBP Platform, each Eligible Investor represents and confirms that it has completed all enrollment and "know-your-customer" verification and other requirements prescribed under the EBP Requirements in the manner prescribed in the EBP Requirements. Where an Eligible Investor (as defined below) is participating/bidding on the EBP Platform through an arranger or a custodian, such Eligible

Investor must follow, and must ensure that the arranger or a custodian representing it, follows, the procedure and the bidding threshold requirements prescribed under the EBP Requirements.

Investors, who are registered on the EBP Platform and are eligible to make bids for the Debentures of the Issuer and to whom allocation is to be made by Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Requirements and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.
Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Requirements) specifically mapped by the Issuer on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures. The Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, nor is the Issuer required to check or confirm the above.

Hosting of this Debt Disclosure Documents on the website of the BSE/EBP should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the Debt Disclosure Documents has been hosted only as this is stipulated under the SEBI Debt Listing Regulations read with the EBP Requirements. Eligible Investors should check their eligibility before making any investment.

All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

9.8 Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer, the Issuer shall disclose the relevant details (such as Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc.), in accordance with the EBP Requirements and the operational guidelines of the relevant EBP. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

9.9 Tax Deductions

(a) All payments to be made by the Issuer to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Issuer is required to make a Tax Deduction pursuant to Applicable Law.

(b) The Issuer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.

(c) If the Issuer is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time period prescribed under Applicable Law and in the minimum amount required by Applicable Law.

(d) Within the earlier of (i) 60 (sixty) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (ii) 60 (sixty) days of each Due Date, the Issuer shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

SECTION 10: DECLARATION

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder.

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government.

C. The monies received under the offer shall be used only for the purposes and objects indicated in this Key Information Document.

D. The Issuer has complied with, and nothing in the Key Information Document is contrary to, the provisions of Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, and the rules and regulations made thereunder.

I am authorized by the board of directors of the Issuer *vide* resolution number 30 dated April 24, 2024, read with the resolution dated November 12, 2024 of the finance committee of the board of directors of the Issuer, to sign this Key Information Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Key Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Key Information Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Key Information Document.

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Key Information Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Key Information Document is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in this Key Information Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

For MAS Financial Services Limited

RIDDHI BHAVESHBHAI BHAYANI

Digitally signed by RIDDHI BHAVESHBHAI BHAYANI
DN: cn=RIDDHI BHAVESHBHAI BHAYANI c=IN o=Personal
Reason: I am the author of this document
Location:
Date: 2024-11-28 12:28+05:30

_____

Name: Riddhi Bhayani
Title: Company Secretary and Chief Compliance Officer
Place: Ahmedabad, India
Date: November 26, 2024

ANNEXURE I: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENCY

Attached separately.

ANNEXURE II: CONSENT LETTERS FROM THE DEBENTURE TRUSTEE AND REGISTRAR

Debenture Trustee:

Attached separately.

Registrar:

Attached separately.

ANNEXURE III: APPLICATION FORM

MAS FINANCIAL SERVICES LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: May 25, 1995
Registered Office: 6 Narayan Chambers, Ground Floor, B/h Patang Hotel, Ashram Road, Ahmedabad - 380009, Gujarat, India
Telephone No.: 079-41106500
Website: www.mas.co.in

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									

ISSUE OF 10,000 (TEN THOUSAND) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, TRANSFERABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INDIAN RUPEES, EACH HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH) AND AN AGGREGATE NOMINAL VALUE OF INR 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORE) ("DEBENTURES") ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").

DEBENTURES APPLIED FOR:

Number of Debentures: _____In words: _____only
Amount INR _____/- In words
Rupees:_____only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on_____

Funds transferred to the account specified in "Instructions" below on _____

Total Amount Enclosed
(In Figures) INR _____/- (In words) _____Only

APPLICANT'S NAME IN FULL (CAPITALS)	**SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		**PHONE**		**FAX**	

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

WE ARE ( ) COMPANY ( ) OTHERS (Please specify) _____
We have read and understood the terms and conditions of the issue of Debentures including the risk factors described in the general information document dated June 3, 2024, the enclosed key information document and the private placement offer cum application letter of the same date, each issued by the Issuer (collectively, the "**Debt Disclosure Documents**") and have considered these in making our decision to apply.

We bind ourselves to the terms and conditions of the Debt Disclosure Documents and wish to apply for allotment of the Debentures. We request you to please place our name(s) on the register of holders.

Name of the Authorised Signatory(ies)	Designation	Signature

_____
Applicant's Signature

We the undersigned, are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL ( ) CDSL ( )**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Debt Disclosure Documents is provided by the Issuer. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: (i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, (ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, (iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

_____
Applicant's Signature

FOR OFFICE USE ONLY DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**									

Received from _____

Address_____
_____
Cheque/Draft/UTR # _____ Drawn on _____ for INR _____ on account of application of _____ Debenture

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account(s) of ICCL by way of an electronic transfer, in accordance with the terms of the EBP Requirements:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The Issuer undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than:
(a) for adjustment against allotment of securities; or
(b) for the repayment of monies where the Issuer is unable to allot securities.

4. Outstation Cheques, Cash, Money Orders, Postal Orders and Stock Invest shall not be accepted.

5. Receipt of applicants will be acknowledged by the Issuer in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

6. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.

7. The application would be accepted as per the terms of the Debentures outlined in the transaction documents for the private placement.

ANNEXURE IV: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Name of the Issuer	MAS Financial Services Limited
Face Value (per security)	INR 1,00,000 (Indian Rupees One Lakh)
Issue Date / Date of Allotment	November 28, 2024
Date of Redemption	May 28, 2026
Tenure	18 (eighteen) months from the Deemed Date of Allotment
Coupon Rate	8.45% (eight decimal four five percent) per annum, payable monthly
Frequency of the Coupon Payment with specified dates	Monthly. Please refer below.
Day count convention	Actual/Actual

1. **INTEREST PAYMENT SCHEDULE**

CASH FLOWS	DATE FOR COUPON/ REDEMPTION BECOMING DUE	INTEREST AMOUNT PER DEBENTURE (IN RUPEES)
1st Coupon Payment	28-Dec-2024	694.52
2nd Coupon Payment	28-Jan-2025	717.67
3rd Coupon Payment	28-Feb-2025	717.67
4th Coupon Payment	28-Mar-2025	648.22
5th Coupon Payment	28-Apr-2025	717.67
6th Coupon Payment	28-May-2025	694.52
7th Coupon Payment	28-Jun-2025	717.67
8th Coupon Payment	28-Jul-2025	694.52
9th Coupon Payment	28-Aug-2025	717.67
10th Coupon Payment	28-Sep-2025	717.67
11th Coupon Payment	28-Oct-2025	694.52
12th Coupon Payment	28-Nov-2025	717.67
13th Coupon Payment	28-Dec-2025	694.52
14th Coupon Payment	28-Jan-2026	717.67
15th Coupon Payment	28-Feb-2026	717.67
16th Coupon Payment	28-Mar-2026	648.22
17th Coupon Payment	28-Apr-2026	717.67
18th Coupon Payment	28-May-2026	694.52

2. **REDEMPTION SCHEDULE**

CASH FLOWS	DATE FOR COUPON/ REDEMPTION BECOMING DUE	PRINCIPAL AMOUNT PER DEBENTURE (IN RUPEES)
Principal Amounts	28-May-2026	1,00,000

ANNEXURE V: DUE DILIGENCE CERTIFICATES

1. **Due diligence certificate as per the format specified in the SEBI Debenture Trustees Master Circular:**

   Attached separately.

2. **Due diligence certificate as per the format specified in the SEBI Debt Listing Regulations:**

   Attached separately.

ANNEXURE VI: DISCLOSURES PURSUANT TO THE SEBI DEBENTURE TRUSTEES MASTER CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising identified book debts/loan receivables of the Issuer.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

No title deeds are applicable or available for movable assets of the Issuer set out above over which security is proposed to be created by the Issuer. The details of the underlying loan agreements will be set out in the Deed of Hypothecation.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc.**

The charge created over the movable assets set out in (a) above will be reported to the relevant registrar of companies and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with any sub-registrar.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

(e) **For encumbered assets, on which charge is proposed to be created, the following consents along-with their validity as on date of their submission:**

(i) **Details of existing charge over the assets along with details of charge holders, value/ amount, copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable:** Not Applicable.

(ii) **Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets or relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer to create further charge on the assets, along-with terms of such conditional consent/ permission, if any:** Not Applicable.

(iii) **Consent/ NOC from existing unsecured lenders, in case, negative lien is created by Issuer in favour of unsecured lenders:** Not Applicable.

(f) **In case of personal guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. relationship with the Issuer:** Not Applicable.

(ii) **Net worth statement (not older than 6 months from the date of debenture trustee agreement) certified by a chartered accountant of the guarantor:** Not Applicable.

(iii) **List of assets of the guarantor including undertakings/ consent/ NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular**: Not Applicable.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not Applicable.

(v) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any:** Not Applicable.

(g) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. holding/ subsidiary/ associate company etc**: Not Applicable.

(ii) **Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities**: Not Applicable.

(iii) **List of assets of the guarantor along-with undertakings/consent/NOC as per para 2.1(b) and 2.1(c) of Chapter II of the SEBI Debenture Trustees Master Circular**: Not Applicable.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not Applicable.

(v) **Impact on the security in case of restructuring activity of the guarantor:** Not Applicable.

(vi) **Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor:** Not Applicable.

(vii) **Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer:** Not Applicable.

(viii) **List of previously entered agreements for providing guarantee to any other person along with an undertaking that there are no agreements other than those provided in the list, if any**: Not Applicable.

(h) **In case of any other contractual comforts/ credit enhancements provided for or on behalf of the issuer, it shall be required to be legal, valid and enforceable at all times, as affirmed by the issuer. In all other respects, it shall be dealt with as specified above with respect to guarantees**: Not Applicable.

(i) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:** Not applicable.

(j) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: Please refer section named "*Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Key Information Document*" in Section 8.1 (*Summary Terms*).

(k) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: Not Applicable.

(l) **Declaration**: The Issuer declares that debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

(m) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(n) **Details of security to be created**: Please refer section named "*Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Key Information Document*" in Section 8.1 (*Summary Terms*).

(c) **Process of due diligence carried out by the debenture trustee under the SEBI Debenture Trustees Master Circular**: The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the SEBI Debenture Trustees Master Circular. The due diligence broadly includes the following:

(i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Debentures.

(ii) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.

(iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the Debenture Trustees Regulations and the relevant circulars issued by SEBI from time to time (including the SEBI Debenture Trustees Master Circular) as per the nature of security provided by the Issuer in respect of the Debentures.

(iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

Even though the Debentures are to be secured to the extent of at least 100% of the principal and interest amount or as per the terms of this Key Information Document, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

(v) Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.

(o) **Due diligence certificates as per the format specified in the Debenture Trustees Master Circular and the Debt Listing Regulations**: Enclosed as Annexure V. The due diligence certificates will be submitted to BSE along with the Key Information Document.

ANNEXURE VII: BOARD RESOLUTION AND COMMITTEE RESOLUTION

Board resolution:

Attached separately.

Committee resolution:

Attached separately.

ANNEXURE VIII: SHAREHOLDERS' RESOLUTIONS

Attached separately.

ANNEXURE IX: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Attached separately.

ANNEXURE X: SHAREHOLDING PATTERN

The shareholding pattern of the Issuer as of the last quarter end, i.e., September 30, 2024, has been attached separately.

ANNEXURE XI: LIMITED REVIEW FINANCIAL RESULTS

Attached separately.

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2024/102 October 23, 2024

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
General Manager
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: **540749, 947381**

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Outcome of Board Meeting of the Company held today i.e. Wednesday, October 23, 2024.

The Board of Directors of the Company in its Meeting held today i.e. on Wednesday, October 23, 2024 has inter alia:

1. Approved the Unaudited Standalone & Consolidated Financial Results of the Company for the quarter and half year ended on September 30, 2024 along with Limited Review Reports issued by the Statutory Auditors of the Company.
2. Formed, reviewed and updated various policies of the Company.

The said meeting of the Board of Directors **commenced at 12:30 P.M.** and **concluded at 3:30 P.M.**

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, all the above mentioned documents will be uploaded on the Stock Exchange websites at **www.nseindia.com** and **www.bseindia.com** and will also be simultaneously posted on the website of the Company at www.mas.co.in.

Request you to take the same on your records.

Thanking you,

Yours faithfully,
For, MAS Financial Services Limited

Riddhi Bhaveshbhai Bhayani
Company Secretary and Chief Compliance Officer
ACS No.: A41206

Regd. Office :
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B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
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+ 91(O) 079 4110 6500 / 079 3001 6500
+ 91(O) 079 4110 6597,+ 91 (O) 079 4110 6561
www.mas.co.in
mfsl@mas.co.in

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

TELEPHONE : +91 79 48006782
EMAIL : sbchokshi@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in

804-805, SAKAR-IX,
BESIDE CITY GOLD,
ASHRAM ROAD,
AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF MAS FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying unaudited Standalone Financial Results of **MAS Financial Services Limited** ("the Company") for the quarter and half year ended September 30, 2024 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 *"Interim Financial Reporting"* ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Standalone Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of the person responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in the audit. Accordingly, we do not express an audit opinion.

4. The comparative financial information of the Company for the quarter ended June 30, 2024 and quarter and half year ended September 30, 2023 included in this Statement were reviewed by the predecessor auditors, who expressed an unmodified conclusion thereon vide their reports dated July 24, 2024 and November 01, 2023.

   The Statement also includes figures of the Group for the year ended March 31, 2024, audited by the predecessor auditors who expressed and unmodified opinion thereon vide their report dated April 24, 2024.

   Our conclusion is not modified in respect of these matters.

5. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

CA. Chokshi Shreyas B.
Partner
Membership No.100892
UDIN: 24100892BJZYAX8512

Ahmedabad
October 23, 2024

MAS FINANCIAL SERVICES LIMITED
Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
CIN: L65910GJ1995PLC026064

Statement of unaudited standalone financial results for the quarter and half year ended 30 September 2024

(₹ in Crores)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2024 (Unaudited)	30.06.2024 (Unaudited)	30.09.2023 (Unaudited)	30.09.2024 (Unaudited)	30.09.2023 (Unaudited)	31.03.2024 (Audited)
1	**INCOME**						
	(a) Revenue from operations						
	Interest income	307.83	295.16	246.25	602.99	481.45	1,022.28
	Gain on assignment of financial assets	37.47	30.39	27.18	67.86	51.40	116.97
	Fees and commission income	18.39	18.94	17.58	37.33	32.83	70.04
	Net gain on fair value changes	1.36	1.43	3.17	2.79	7.08	12.57
	Total revenue from operations	**365.05**	**345.92**	**294.18**	**710.97**	**572.76**	**1,221.86**
	(b) Other income	1.90	0.58	2.34	2.48	3.86	7.42
	Total income	**366.95**	**346.50**	**296.52**	**713.45**	**576.62**	**1,229.28**
2	**EXPENSES**						
	(a) Finance costs	175.40	171.44	146.13	346.84	288.89	614.16
	(b) Fees and commission expense	16.06	11.25	12.60	27.31	26.79	48.80
	(c) Impairment on financial instruments	26.33	23.94	23.58	50.27	42.41	89.55
	(d) Employee benefits expenses	28.08	26.68	20.61	54.76	38.52	87.05
	(e) Depreciation, amortisation and impairment	1.19	1.11	0.91	2.30	1.68	3.81
	(f) Other expenses	17.82	17.69	12.67	35.51	22.51	54.49
	Total expenses	**264.88**	**252.11**	**216.50**	**516.99**	**420.80**	**897.86**
3	**Profit before exceptional items and tax (1-2)**	**102.07**	**94.39**	**80.02**	**196.46**	**155.82**	**331.42**
4	Exceptional items	-	-	-	-	-	-
5	**Profit before tax (3-4)**	**102.07**	**94.39**	**80.02**	**196.46**	**155.82**	**331.42**
6	**Tax expense**						
	(a) Current tax	24.38	22.93	19.32	47.31	38.85	80.89
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	-	(0.17)
	Net current tax expense	24.38	22.93	19.32	47.31	38.85	80.72
	(c) Deferred tax expense/(credit)	1.12	1.03	0.69	2.15	(0.29)	2.95
	Total tax expense	**25.50**	**23.96**	**20.01**	**49.46**	**38.56**	**83.67**
7	**Profit after tax (5-6)**	**76.57**	**70.43**	**60.01**	**147.00**	**117.26**	**247.75**
8	**Other comprehensive income (OCI)**						
	(a) (i) Items that will not be reclassified to profit or loss						
	- Re-measurement of the defined benefit liabilities	(0.64)	(0.13)	(0.27)	(0.77)	(0.25)	(0.52)
	(ii) Income tax relating to the above items	0.16	0.03	0.06	0.19	0.06	0.13
	Sub-total (a)	(0.48)	(0.10)	(0.21)	(0.58)	(0.19)	(0.39)
	(b) (i) Items that will be reclassified to profit or loss						
	- Loans and advances through other comprehensive Income	(4.83)	2.56	(3.49)	(2.27)	10.06	21.57
	(ii) Income tax relating to the above items	1.22	(0.65)	0.88	0.57	(2.53)	(5.43)
	Sub-total (b)	(3.61)	1.91	(2.61)	(1.70)	7.53	16.14
	Other comprehensive income / (loss) (a+b)	**(4.09)**	**1.81**	**(2.82)**	**(2.28)**	**7.34**	**15.75**
9	**Total comprehensive income for the period / year (7+8)**	**72.48**	**72.24**	**57.19**	**144.72**	**124.60**	**263.50**
10	**Paid-up equity share capital (Face value Rs. 10/- per share)**	**181.45**	**181.45**	**54.66**	**181.45**	**54.66**	**163.99**
11	**Other equity**						**1,604.97**
12	**Earnings per share (of ₹10 each) (not annualized for interim periods) (Refer Note 15)**						
	(a) Basic (₹)	4.21	4.25	3.66	8.46	7.15	15.11
	(b) Diluted (₹)	4.21	4.25	3.66	8.46	7.15	15.11

SORAB S. ENGINEER & CO. FIRM REG. NO. 110017W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

MAS FINANCIAL SERVICES LIMITED
Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
CIN: L65910GJ1995PLC026064

Standalone Balance Sheet

(₹ in Crores)

Particulars	As at 30.09.2024 (Unaudited)	As at 31.03.2024 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	305.85	178.02
Bank balance other than cash and cash equivalents	905.07	664.27
Trade receivables	6.66	6.52
Loans	8,075.62	7,264.83
Investments	960.52	787.71
Other financial assets	110.42	75.80
	10,364.14	**8,977.15**
Non-financial assets		
Income tax assets (net)	1.45	2.52
Deferred tax assets (net)	8.58	9.97
Property, plant and equipment	18.82	18.63
Capital work-in-progress	80.64	69.80
Right-of-use asset	2.95	2.82
Intangible assets under development	0.15	0.24
Other intangible assets	0.78	1.01
Other non-financial assets	46.14	27.10
	159.51	**132.09**
	10,523.65	**9,109.24**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
(I)Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	47.89	15.74
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.64	1.14
Debt securities	891.06	626.86
Borrowings (other than debt securities)	6,554.15	6,120.36
Subordinated liabilities	302.86	302.11
Other financial liabilities	301.09	253.25
	8,097.69	**7,319.46**
Non-financial liabilities		
Current tax liabilities (net)	8.18	4.29
Provisions	10.59	10.09
Other non-financial liabilities	6.04	6.44
	24.81	**20.82**
	8,122.50	**7,340.28**
EQUITY		
Equity share capital	181.45	163.99
Other equity	2,219.70	1,604.97
	2,401.15	**1,768.96**
	10,523.65	**9,109.24**

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Standalone Statement of Cash flow

(₹ in Crores)

Sr. No.	Particulars	Half Year ended 30.09.2024 (Unaudited)		Half Year ended 30.09.2023 (Unaudited)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before exceptional items and tax		**196.46**		**155.82**
	Adjustments for :				
	Depreciation and amortisation	2.30		1.68	
	Finance cost	346.84		288.89	
	Impairment on financial assets	50.27		42.42	
	Interest income	(602.99)		(481.45)	
	Gain on assignment of financial assets	(67.86)		(51.40)	
	Net gain on fair value changes	(2.08)		(5.29)	
	Net gain on sale of investments measured at amortized cost	(1.16)		(2.31)	
	Unrealised gain on foreign exchange	0.05		-	
	Dividend income	(1.26)		(1.26)	
	Gain on derecognition of leased assets	-		(0.02)	
			(275.89)		(208.74)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(79.43)		(52.92)
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(776.51)		(464.72)	
	Trade receivables	(0.14)		(0.36)	
	Advances received against loan agreements	0.34		(0.22)	
	Bank balance other than cash and cash equivalents	(240.78)		(22.58)	
	Other financial asset	(21.48)		2.08	
	Other non-financial asset	(29.65)		(14.14)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	31.66		4.26	
	Other financial liabilities	35.07		(53.21)	
	Non-financial liabilities	(0.40)		1.14	
	Provisions	1.61	(1,000.28)	0.63	(547.12)
	CASH GENERATED FROM / (USED IN) OPERATIONS		(1,079.71)		(600.04)
	Interest income received	558.20		434.74	
	Dividend received	1.26		1.26	
	Interest income on Investment measured at amortised cost	37.68		39.33	
	Finance cost paid	(340.29)	256.85	(285.06)	190.27
			(822.86)		(409.77)
	Income tax paid (net)		(42.34)		(38.80)
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(865.20)**		(448.57)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipment and intangible assets, including capital advances	(14.05)		(8.61)	
	Purchase of investments	(1,457.34)		(1,239.82)	
	Redemption of investments	1,285.56		1,233.37	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(185.83)**		(15.06)

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C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity shares (Net)	484.06		-	
	Proceeds from debt securities and borrowings	1,481.81		1,497.50	
	Repayments of debt securities and borrowings	(1,138.16)		(786.78)	
	Short term loans (Net)	360.73		90.60	
	Repayment of principal component of lease liabilities	(0.33)		(0.18)	
	Dividends paid	(9.25)		(10.11)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,178.86**		791.03
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**127.83**		327.40
	Cash and cash equivalents at the beginning of the period / year		178.02		237.86
	Cash and cash equivalents at the end of the period / year		**305.85**		565.26

Components of cash and cash equivalents (₹ in Crores)

Particulars	As at 30.09.2024	As at 30.09.2023
Cash and bank balances comprises:		
(a) Cash on hand	0.21	0.15
(b) Balances with banks	29.80	89.92
Total	**30.01**	90.07
(c) Bank deposits with original maturity of 3 months or less	275.84	475.19
Cash and cash equivalents as per the balance sheet	**305.85**	565.26

The above cash flow statement has been prepared under the 'indirect method' as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

Notes :

1 The unaudited standalone financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications/ directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.

2 The above standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 23 October 2024.

3 In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter and half year ended 30 September 2024 has been carried out by the Statutory Auditors. The statutory auditors have expressed an unmodified conclusion on these financial results.

4 The Company, during the quarter ended 30 June 2024, has allotted 1,74,67,248 no. of equity shares of face value of ₹ 10 each, at the issue price of ₹ 286.25 per Equity Share, i.e., at a premium of ₹ 276.25 per Equity Share (which includes a discount of ₹ 15.06 per Equity Share (4.99% of the floor price, as determined in terms of the SEBI ICDR Regulations) to the floor price), aggregating to approximately ₹ 5,000 million, pursuant to Qualified Institutions Placement as on 21 June 2024.

The Company has acquired 3,33,333 equity shares of subsidiary company being 33.33% of the total OCPS held by the Company due to conversion of said OCPS into the Equity shares of MAS Rural Housing and Mortgage Finance Limited ("Subsidiary Company") on September 12, 2024.

5 The Board of directors at its meeting held on 24 April 2024 recommended final dividend of ₹ 0.51 per equity share of face value of ₹ 10 each for the year ended 31 March 2024, which was approved by the shareholders in the Annual General Meeting of the company held on 11 September 2024. The dividend was paid subsequently.

6 The Company holds a management and macro-economic overlay of ₹ 17.60 crore as at 30 September 2024.

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

MAS FINANCIAL SERVICES LIMITED
Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
CIN: L65910GJ1995PLC026064

7 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition Asset Classification and Provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 30 September 2024 and accordingly, no amount is required to be transferred to impairment reserve.

8 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021.

(a) Details of loans not in default transferred through assignment during the half year ended 30 September 2024.

Aggregate principal outstanding of loans transferred (₹ in crores)	1,198.81
Weighted average residual maturity (in months)	22
Weighted average holding period (in months)	6
Average retention of beneficial economic interest (MRR) (%)	12%
Average coverage of tangible security (%)	54%
Rating wise distribution of loans transferred	Unrated

(b) Details of loans not in default acquired through assignment during the half year ended 30 September 2024.

Aggregate principal outstanding of loans acquired (₹ in crores)	301.42
Weighted average residual maturity (in months)	22
Weighted average holding period by originator (in months)	8
Average retention of beneficial economic interest (MRR) by originator (%)	10%
Average coverage of tangible security (%)	12%
Rating wise distribution of loans acquired	Unrated

(c) The Company has not transferred or acquired any stressed loan during the half year ended 30 September 2024.

9 All secured NCDs issued by the Company are secured by way of a first ranking, exclusive and continuing charge on identified standard receivables ('Hypothecated Receivables') to maintain the value of security at all times equal to 110.00% of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective term sheet of outstanding secured NCDs.

10 As on 30 September 2024, the security cover available in respect of secured non-convertible debt securities is 1.11 times. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure-1.

11 Disclosures in compliance with Regulation 52 (4) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30 September 2024 is attached as Annexure-2.

12 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

13 The Company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

14 Effective 1 October 2022, the Company has been categorised as NBFC-ML under the RBI Scale Based Regulation dated 22 October 2021. Accordingly, the Company has taken steps, wherever applicable, to ensure compliance with the said regulation.

15 The basic and diluted earnings per share have been computed for previous year/quarter on the basis of the adjusted number of equity shares in accordance with issue of shares on account of bonus issue.

16 Figures of previous reporting periods have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Ahmedabad
23 October 2024

Annexure - 1

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(` in Cr)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certifica te being issued	Other Secured Debt	Debt for which this certifica te being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari- passu charge)	Other assets on which there is pari-Passu charge (excludin g items covered in column F)		Debt amount considere d more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(=K+L+M+ N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property,Plant and Equipment		-	-	No	-	13.26	5.56	-	18.82	-	-	-	-	-
Capital Work-in- Progress		-	80.64	No	-	-	-	-	80.64	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	2.95	-	2.95	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	0.78	-	0.78	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	0.15	-	0.15	-	-	-	-	-
Investments		533.66	-	No	-	-	426.86	-	960.52	-	533.66	-	-	533.66
Loans	Loans & Advances given included spread receivable on assigned portfolio	497.28	5,116.99	No	-	2,239.46	300.93	-	8,154.66	-	497.28	-	-	497.28
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	6.66	-	6.66	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	305.85	-	305.85	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	644.83	No	-	-	260.24	-	905.07	-	-	-	-	-
Others		-	-	No	-	-	87.55	-	87.55	-	-	-	-	-
Total		**1,030.94**	**5,842.46**		**-**	**2,252.72**	**1,397.53**	**-**	**10,523.65**	**-**	**1,030.94**	**-**	**-**	**1,030.94**

MAB S. ENGINEER

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

Annexure - 1

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(in Cr)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certifica te being issued	Other Secured Debt	Debt for which this certifica te being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari- passu charge)	Other assets on which there is pari-Passu charge (excludin g items covered in column F)		Debt amount considere d more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(=K+L+M+N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
LIABILITIES														
Debt securities to which this certificate pertains	Secured debentures	925.97	-	No	-	-	-	-	925.97	-	-	-	-	-
Other debt sharing pari-passu charge with above debt			-	No	-	-	-	-	-	-	-	-	-	-
Other Debt			-	No	-	-	-	-	-	-	-	-	-	-
Subordinated debt			-	No	-	-	310.29	-	310.29	-	-	-	-	-
Borrowings			-	No	-	-	-	-	-	-	-	-	-	-
Bank		Not to be filled	4,453.35	No	-	1,222.14	-	-	5,675.49	-	-	-	-	-
Debt Securities			-	No	-	-	-	-	-	-	-	-	-	-
Others (Term Loan)			936.49	No	-	-	-	-	936.49	-	-	-	-	-
Trade Payables			-	No	-	-	47.89	-	47.89	-	-	-	-	-
Lease Liabilities			-	No	-	-	3.20	-	3.20	-	-	-	-	-
Provisions			-	No	-	-	10.59	-	10.59	-	-	-	-	-
Others			-	No	-	-	212.58	-	212.58	-	-	-	-	-
Total		**925.97**	**5,389.84**		**-**	**1,222.14**	**584.55**	**-**	**8,122.50**	**-**	**-**	**-**	**-**	**-**
Cover on Book Value		**1.11**			**NA**									
Cover on Market Value														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

Note: We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended September 30, 2024.

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

Annexure - 2

Disclosure pursuant to Reg. 52 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No	Particulars	Compliance											
		ISIN: INE348L07142	ISIN: INE348L08041	ISIN: INE348L08082	ISIN: INE348L08090	ISIN: INE348L07159	ISIN: INE348L08108	ISIN: INE348L07167	ISIN: INE348L07175	ISIN: INE348L07183	ISIN: INE348L07191	ISIN: INE348L07209	ISIN: INE348L07217
a	Debt-Equity Ratio (as on 30.09.2024)	3.25 times											
b	Outstanding redeemable preference shares (quantity and value)	Nil											
c	Capital redemption reserve/ debenture redemption reserve	Nil											
d	Net worth	Rs. 2401.15 Crores. (as at 30.09.2024)											
e	Net profit after tax	For the quarter ended 30.09.2024- Rs. 76.57 Crores For the half year ended 30.09.2024- Rs. 147 Crores											
f	Earnings per share	Basic - For the quarter ended 30.09.2024- Rs. 4.21 per share For the half year ended 30.09.2024- Rs. 8.46 per share Diluted - For the quarter ended 30.09.2024- Rs. 4.21 per share For the half year ended 30.09.2024- Rs. 8.46 per share											
g	Total debts to total assets	0.74 Times											
h	Net profit margin	For the quarter ended 30.09.2024 - 20.87% For the half year ended 30.09.2024 - 20.60%											
i	Sector specific equivalent ratio	Gross stage 3% - 2.36 % Net stage 3% - 1.57% Capital to risk-weighted assets ratio (Calculated as per RBI guidelines) – 26.52%											

Note:
Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio. Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio are not relevant as the Company is engaged in financing activities.

S.O. RAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED MAS AHMEDABAD

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

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ASHRAM ROAD,
AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF MAS FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying unaudited consolidated financial results of **MAS Financial Services Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and half year ended September 30, 2024 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 *"Interim Financial Reporting"* ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Consolidated Statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standard of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Parent Company	MAS Financial Services Limited
Subsidiary Companies	MAS Rural Housing & Mortgage Finance Limited
	MASFIN Insurance Broking Private Limited

5. The comparative financial information of the Group for the quarter ended June 30, 2024 and quarter and half year ended September 30, 2023 included in this Statement were reviewed by the predecessor auditors, who expressed an unmodified conclusion thereon vide their reports dated July 24, 2024 and November 01, 2023.

   The Statement also includes figures of the Group for the year ended March 31, 2024, audited by the predecessor auditors who expressed and unmodified opinion thereon vide their report dated April 24, 2024.

   Our conclusion is not modified in respect of these matters.

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

6. We did not review the interim financial information of two subsidiaries included in the Statement, whose interim financial information (before consolidation adjustments) reflect total assets of Rs. 548.12 Crore as at September 30, 2024, total revenue of Rs. 18.63 Crore and Rs. 38.52 Crore, total net profit after tax of Rs. 2.31 Crore and Rs. 4.43 Crore and total comprehensive income of Rs. 4.53 Crore and Rs. 7.54 Crore for the quarter and half ended September 30, 2024, respectively, and cash outflows Rs. 14.14 Crore for the half year ended on September 30, 2024, as considered in the Statement.

   This interim financial information has been reviewed by the other auditors whose report has been furnished to us by the management, and our conclusion on the Statement, in so far as relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of this matter.

7. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

CA. Chokshi Shreyas B.
Partner
Membership No.100892
UDIN: 24100892BJZYAY8460

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

Ahmedabad
October 23, 2024

MAS FINANCIAL SERVICES LTD.
Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
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CIN: L65910GJ1995PLC026064

Statement of unaudited consolidated financial results for the quarter and half year ended 30 September 2024

(₹ in Crores)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2024 (Unaudited)	30.06.2024 (Unaudited)	30.09.2023 (Unaudited)	30.09.2024 (Unaudited)	30.09.2023 (Unaudited)	31.03.2024 (Audited)
1	**INCOME**						
	(a) Revenue from operations						
	Interest income	325.13	311.37	259.36	636.50	506.53	1,077.09
	Gain on assignment of financial assets	38.89	31.97	28.30	70.86	53.53	122.32
	Fees and commission income	18.85	19.34	17.89	38.19	33.39	71.19
	Net gain on fair value changes	1.40	1.66	3.17	3.06	7.30	13.27
	Total revenue from operations	**384.27**	**364.34**	**308.72**	**748.61**	**600.75**	**1,283.87**
	(b) Other income	1.25	0.79	2.52	2.04	2.91	6.52
	Total income	**385.52**	**365.13**	**311.24**	**750.65**	**603.66**	**1,290.39**
2	**EXPENSES**						
	(a) Finance costs	185.39	181.04	153.63	366.43	303.38	646.71
	(b) Fees and commission expense	16.06	11.25	12.60	27.31	26.79	48.80
	(c) Impairment on financial instruments	26.59	24.53	23.76	51.12	43.24	90.61
	(d) Employee benefits expenses	32.85	30.87	23.68	63.72	44.29	100.45
	(e) Depreciation, amortisation and impairment	1.36	1.27	1.06	2.63	1.92	4.29
	(f) Other expenses	19.49	19.02	14.00	38.51	24.99	59.86
	Total expenses	**281.74**	**267.98**	**228.73**	**549.72**	**444.61**	**950.72**
3	**Profit before exceptional items and tax (1-2)**	**103.78**	**97.15**	**82.51**	**200.93**	**159.05**	**339.67**
4	**Tax expense**						
	(a) Current tax	25.03	23.50	19.88	48.53	40.03	83.06
	(b) Short / (Excess) provision for tax relating to prior years	-	-	-	-	-	(0.21)
	Net current tax expense	**25.03**	**23.50**	**19.88**	**48.53**	**40.03**	**82.85**
	(c) Deferred tax expense/(credit)	1.13	1.09	0.69	2.22	(0.48)	2.81
	Total tax expense	**26.16**	**24.59**	**20.57**	**50.75**	**39.55**	**85.66**
5	**Profit after tax (3-4)**	**77.62**	**72.56**	**61.94**	**150.18**	**119.50**	**254.01**
6	**Other comprehensive income (OCI)**						
	(a) (i) Items that will not be reclassified to profit or loss						
	- Re-measurement of the defined benefit liabilities	(0.69)	(0.13)	(0.27)	(0.82)	(0.25)	(0.51)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.18	0.03	0.06	0.21	0.06	0.13
	Sub-total (a)	(0.51)	(0.10)	(0.21)	(0.61)	(0.19)	(0.38)
	(b) (i) Items that will be reclassified to profit or loss						
	- Loans and advances through other comprehensive	(1.82)	3.76	(3.63)	1.94	8.46	19.08
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.46	(0.95)	0.91	(0.49)	(2.13)	(4.80)
	Sub-total (b)	(1.36)	2.81	(2.72)	1.45	6.33	14.28
	Other comprehensive income / (loss) (a+b)	**(1.87)**	**2.71**	**(2.93)**	**0.84**	**6.14**	**13.90**
7	**Total comprehensive income for the period / year (5+6)**	**75.75**	**75.27**	**59.01**	**151.02**	**125.64**	**267.91**
8	**Profit for the period / year attributable to**						
	Owners of the Parent	**76.72**	**71.72**	**61.17**	**148.44**	**118.09**	**251.05**
	Non-controlling interest	**0.90**	**0.84**	**0.77**	**1.74**	**1.41**	**2.96**
9	**Other comprehensive income for the period / year attributable to**						
	Owners of the Parent	**(2.72)**	**2.36**	**(2.88)**	**(0.36)**	**6.63**	**14.63**
	Non-controlling interest	**0.85**	**0.35**	**(0.05)**	**1.20**	**(0.49)**	**(0.73)**
10	**Total comprehensive income for the period / year attributable to**						
	Owners of the Parent	**74.00**	**74.08**	**58.29**	**148.08**	**124.72**	**265.68**
	Non-controlling interest	**1.75**	**1.19**	**0.72**	**2.94**	**0.92**	**2.23**
11	**Paid-up equity share capital (Face value ₹10 per share)**	**181.45**	**181.45**	**54.66**	**181.45**	**54.66**	**163.99**
12	**Other Equity**						**1,618.72**
13	**Earnings per share (of ₹10 each) (not annualized for interim periods) (Refer Note 13)**						
	(a) Basic (₹)	4.73	4.32	3.73	9.05	7.20	15.31
	(b) Diluted (₹)	4.73	4.32	3.73	9.05	7.20	15.31

SORAB ENGINEERING CO. FIRM REG. NO. 114417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED

MAS FINANCIAL SERVICES LTD.
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Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
CIN: L65910GJ1995PLC026064

Consolidated Balance Sheet

(₹ in Crores)

Particulars	30.09.2024 (Unaudited)	31.03.2024 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	326.36	212.67
Bank balance other than cash and cash equivalents	927.21	665.83
Trade receivables	6.98	6.54
Loans	8,564.43	7,719.44
Investments	907.62	726.16
Other financial assets	113.62	78.86
Total financial assets	**10,846.22**	**9,409.50**
Non-financial assets		
Income tax assets (net)	1.45	2.52
Deferred tax assets (net)	9.35	11.85
Property, plant and equipment	21.33	21.23
Capital work-in-progress	80.64	69.80
Right-of-use asset	3.33	3.19
Intangible assets under development	0.15	0.24
Other intangible assets	0.79	1.01
Other non-financial assets	46.86	28.00
Total non-financial assets	**163.90**	**137.84**
Total assets	**11,010.12**	**9,547.34**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	0.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	52.26	21.12
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.46	1.89
Debt securities	891.06	626.86
Borrowings (other than debt securities)	6,972.63	6,496.88
Subordinated liabilities	302.86	302.11
Other financial liabilities	306.39	258.36
Total financial liabilities	**8,526.66**	**7,707.25**
Non-financial liabilities		
Current tax liabilities (net)	8.65	4.70
Provisions	10.62	10.11
Other non-financial liabilities	6.82	6.71
Total non-financial liabilities	**26.09**	**21.52**
Total liabilities	**8,552.75**	**7,728.77**
EQUITY		
Equity share capital	181.45	163.99
Other equity	2,237.39	1,618.72
Equity attributable to the owners of the Holding Company	**2,418.84**	**1,782.71**
Non-controlling interest	38.53	35.86
Total equity	**2,457.37**	**1,818.57**
Total liabilities and equity	**11,010.12**	**9,547.34**

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LTD.
Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
CIN: L65910GJ1995PLC026064

Consolidated Statement of Cash flow

(₹ in Crores)

Sr. No.	Particulars	Half year ended 30.09.2024 (Unaudited)		Half year Ended 30.09.2023 (Unaudited)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before exceptional items and tax		200.93		159.05
	Adjustments for :				
	Depreciation and amortisation	2.63		1.92	
	Finance cost	366.43		303.38	
	Impairment on financial assets	51.12		43.24	
	Interest income	(636.50)		(506.53)	
	Gain on assignment of financial assets	(70.86)		(53.53)	
	Net gain on fair value changes	(2.08)		(5.29)	
	Net gain on sale of investments measured at amortized cost	(1.16)		(2.31)	
	Unrealised gain on foreign exchange	(0.05)		-	
	Gain on derecognition of leased asset	-		(0.04)	
			(290.47)		(219.16)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(89.54)		(60.11)
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(803.84)		(520.26)	
	Trade receivables	(0.44)		(0.35)	
	Advances received against loan agreements	0.21		(0.48)	
	Bank balance other than cash and cash equivalents	(261.38)		(23.00)	
	Other financial asset	(32.56)		(6.47)	
	Other non-financial asset	(18.24)		(7.23)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	30.68		6.51	
	Other financial liabilities	34.49		(53.45)	
	Other non-financial liabilities	0.11		2.63	
	Provisions	0.51		0.68	
			(1,050.46)		(601.42)
	CASH GENERATED FROM / (USED IN) OPERATIONS		(1,140.00)		(661.53)
	Interest income received	591.51		459.59	
	Interest income on Investment measured at amortised cost	37.68		39.33	
	Finance cost paid	(358.82)	270.37	(299.98)	198.94
			(869.63)		(462.59)
	Income tax paid (net)		(43.52)		(39.86)
	CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(913.15)**		**(502.45)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets,	(14.26)		(9.28)	
	Purchase of investments	(1,412.64)		(1,239.82)	
	Redemption of investments	1,233.31		1,244.81	
	CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(193.59)**		**(4.29)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of shares (net)	484.06		-	
	Proceeds from issue of shares of subsidiary	-		0.01	
	Proceeds from debt securities and borrowings	1,850.56		1,570.00	
	Repayments of borrowings	(1,465.10)		(805.50)	
	Short term loans (Net)	360.73		82.71	
	Repayment of lease liabilities	(0.54)		(0.24)	
	Dividends paid including dividend distribution tax	(9.28)		(10.15)	
	CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,220.43**		**836.83**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**113.69**		**330.09**
	Cash and cash equivalents at the beginning of the		212.67		238.67
	Cash and cash equivalents at the end of the year		**326.36**		**568.76**

SORAB S. ENGINEER & CO. FIRM REG. NO. 110017W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

MAS FINANCIAL SERVICES LTD.
Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
CIN: L65910GJ1995PLC026064

Components of cash and cash equivalents

(₹ in Crores)

Particulars	As at 30 September 2024	As at 30 September 2023
Cash and bank balances comprises:		
(a) Cash on hand	0.53	0.35
(b) Balances with banks	49.99	93.22
(c) Bank deposits with original maturity of 3 months or less	275.84	475.19
Cash and cash equivalents as per the balance sheet	**326.36**	**568.76**

The above cash flow statement has been prepared under the 'indirect method' as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

Notes :

1. The unaudited consolidated financial results of MAS Financial Services Limited (the 'Parent') and its subsidiaries (collectively referred to as the 'Group') have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications/ directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.
2. The above consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Parent at its meeting held on 23 October 2024.
3. In compliance with the SEBI Listing Regulations, a limited review of the consolidated financial results for the quarter and half year ended 30 September 2024 has been carried out by the Statutory Auditors. The statutory auditors have expressed an unmodified conclusion on financial results.
4. On 30 March 2024, MAS Rural Housing & Mortgage Finance Limited, a subsidiary of the parent issued 16,42,171 equity shares of face value of ₹ 10 each for cash at ₹ 121.79 (including premium of ₹ 111.79) per share.amounting to ₹ 20 crores, out of which 12,31,628 equity shares were subscribed by the Parent and 4,10,543 equity shares by other shareholders.
5. The Parent Company, during the quarter ended 30 June 2024, has allotted 1,74,67,248 no. of equity shares of face value of ₹ 10 each, at the issue price of ₹ 286.25 per Equity Share, i.e., at a premium of ₹ 276.25 per Equity Share (which includes a discount of ₹ 15.06 per Equity Share (4.99% of the floor price, as determined in terms of the SEBI ICDR Regulations) to the floor price), aggregating to approximately ₹ 5,000 million, pursuant to Qualified Institutions Placement as on 21 June 2024.
6. The Board of directors of Parent at its meeting held on 24 April 2024 recommended final dividend of ₹ 0.51 per equity share of face value of ₹ 10 each for the year ended 31 March 2024, which was approved by the shareholders in the Annual General Meeting of the company held on 11 September 2024. The dividend was paid subsequently.
7. The Group holds a management and macro-economic overlay of ₹ 20.60 crore as at 30 September 2024.
8. In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Group exceeds the total provision required under IRACP (including standard assets provisioning), as at 30 September 2024 and accordingly, no amount is required to be transferred to impairment reserve.
9. All secured NCDs issued by the Parent are secured by way of a first ranking, exclusive and continuing charge on identified standard receivables ('Hypothecated Receivables') to maintain the value of security at all times equal to 110.00% of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective term sheet of outstanding secured NCDs.
10. The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
11. The Group is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.
12. Effective 1 October 2022, the Parent and one of the subsidiary has been categorised as NBFC-ML under the RBI Scale Based Regulation dated 22 October 2021. Accordingly, the Group has taken steps wherever applicable to ensure compliance with the said regulation.
13. The basic and diluted earnings per share have been computed for previous year/quarter on the basis of the adjusted number of equity shares in accordance with bonus issue of shares.
14. Figures of previous reporting periods have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

Ahmedabad
23 October 2024

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Disclosure pursuant to Reg. 52 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No	Particulars	Compliance											
		ISIN: INE348L07142	ISIN: INE348L08041	ISIN: INE348L08082	ISIN: INE348L08090	ISIN: INE348L07159	ISIN: INE348L08108	ISIN: INE348L07167	ISIN: INE348L07175	ISIN: INE348L07183	ISIN: INE348L07191	ISIN: INE348L07209	ISIN: INE348L07217
a	Debt-Equity Ratio (as on 30.09.2024)	3.25 times											
b	Outstanding redeemable preference shares (quantity and value)	Nil											
c	Capital redemption reserve/ debenture redemption reserve	Nil											
d	Net worth	Rs. 2401.15 Crores. (as at 30.09.2024)											
e	Net profit after tax	For the quarter ended 30.09.2024- Rs.76.57 Crores For the half year ended 30.09.2024- Rs. 147 Crores											
f	Earnings per share	Basic - For the quarter ended 30.09.2024- Rs. 4.21 per share For the half year ended 30.09.2024- Rs. 8.46 per share Diluted - For the quarter ended 30.09.2024- Rs.4.21 per share For the half year ended 30.09.2024- Rs. 8.46 per share											
g	Total debts to total assets	0.74 Times											
h	Net profit margin	For the quarter ended 30.09.2024- 20.87% For the half year ended 30.09.2024- 20.60%											
i	Sector specific equivalent ratio	Gross stage -3%:2.36 % Net stage -1.57% Capital to risk-weighted assets ratio (Calculated as per RBI guidelines) – 26.52%											

Note:

Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Accounts receivable ratio. Current liability ratio, Debtors turnover, Inventory turnover and Operating margin ratio are not relevant as the Company is engaged in financing activities.

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2024/103 October 23, 2024

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
General Manager
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: **540749, 947381**

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Submission of information pursuant to Regulation 54 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Pursuant to the Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that all the secured listed Non - Convertible Debentures issued by the Company and outstanding as on September 30, 2024 are fully secured. Accordingly, the Company is maintaining Security cover of 100% or such higher security cover required as per the terms.

Please find enclosed a copy of the Certificate on Security Cover in the format prescribed by SEBI.

Thanking you,

Yours faithfully,
For, MAS Financial Services Limited

Riddhi Bhaveshbhai Bhayani
Company Secretary and Chief Compliance Officer
ACS No.: A41206

Encl:. As above

Regd. Office :
6, Ground Floor, Narayan Chambers,
B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
CIN : L65910GJ1995PLC026064
+ 91(O) 079 4110 6500 / 079 3001 6500
+ 91(O) 079 4110 6597,+ 91 (O) 079 4110 6561
www.mas.co.in
mfsl@mas.co.in

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

TELEPHONE : +91 79 48006782
EMAIL : sbchokshi@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in

804-805, SAKAR-IX,
BESIDE CITY GOLD,
ASHRAM ROAD,
AHMEDABAD-380 009

To
The Board of Directors
MAS Financial Services Limited

Independent Auditor's Certificate on the Statement of maintenance of security cover in respect of secured listed non-convertible debentures as at September 30, 2024.

1. This Certificate is issued in accordance with the terms of our engagement letter with MAS Financial Services Limited (the Company') and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular: SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (Collectively referred to as "Regulations").

2. We have examined the details given in the attached statement (referred as the "Statement") prepared by the management, stamped by us for identification purpose, containing:
   a. Computation of Security cover as on September 30, 2024,
   b. Details of book value of assets and liabilities and the market value of the charged assets of the Company as on September 30, 2024, as per the Regulations; and
   c. Statement of compliance with the covenants for the period ended September 30, 2024.

Management's Responsibility

3. The Compliance with the Regulations & other applicable circular, the terms & covenants of the Non-Convertible Debentures (NCDs) as per the Offer Document/Shelf Placement Memorandum and Debenture Trust Deeds and calculation of security cover as given in the attached Statement is the responsibility of the Company's management. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the Statement. The management is also responsible for ensuring that the Company complies with the requirements, including those given in the Regulations and provides all relevant information to the Debenture Trustee, National Stock Exchange of India Limited and BSE Limited.

Auditor's Responsibility

4. Our responsibility for the purpose of this certificate is to verify the particulars contained in the statement on the basis of unaudited financial information and other relevant records and documents maintained by the Company and to certify asset cover ratio is minimum hundred percent as per the minimum requirement stated in SEBI Regulations. We have to express limited assurance as to whether anything has come to our attention that causes us to believe that the details included in the accompanying Statement regarding book debt receivable and other assets offered as security against listed debt securities of the Company outstanding as at September 30, 2024 are, in all material respects, not in agreement with the unaudited standalone financial information of the company, underlying books of account and other relevant records and documents maintained by the Company for the quarter ended September 30, 2024.

5. The unaudited standalone financial result for the quarter and half year ended September 30, 2024, prepared by the company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended on which we have expressed an unmodified conclusion vide our report dated October 23, 2024. Our review of unaudited standalone financial information was conducted in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India ("the ICAI"). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial information is free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to the financial data and thus, provides less assurance than an audit. We have not performed an audit and accordingly, we did not express an audit opinion.

6. Our Scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness and accuracy of any of the financial information or the financial results of the company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.

7. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 4 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained, had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgement, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise. We have performed the following procedures in relation to the accompanying statement:

   7.1 Obtained the unaudited standalone financial information, underlying books of account and other relevant records and documents of the Company as at and for the period ended September 30, 2024,
   7.2 Obtained the list and value of assets offered as security against the listed debt securities of the company outstanding as at September 30, 2024,
   7.3 Traced the amounts in the Statement, in relation to the computation of Security cover, to the unaudited standalone financial information and other relevant records, documents maintained by the company and unaudited books of accounts maintained by the Company for the period ended September 30, 2024,
   7.4 Examined and ensured the arithmetical accuracy of the computation of security cover in the Statement.

8. We conducted our examination, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI We have complied with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, on Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Service Engagements.

Conclusion

9. Based on the procedures performed mentioned in paragraph 6, evidence obtained, and the information and explanations given to us, along with the representations provided by the management, nothing has come to our attention that causes us to believe that cause us believe that the details included in the accompanying statement regarding book values of the assets offered as security against listed debt securities of the Company outstanding as at September 30, 2024 are, in all material respects, not in agreement with the unaudited standalone financial information of the company, underlying books of account and other relevant records and documents maintained by the company for the quarter ended September 30, 2024.

Restriction on Use

10. This certificate is issued for the purpose of submission by the Company to the National stock exchange of India Limited, BSE Limited and its Debenture Trustees pursuant to the Regulations and should not be used, referred to or distributed for any other purpose or by any person other than the addressees of this report. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
UDIN: 24100892BJZYAZ2379

Ahmedabad
October 23, 2024

Annexure - 1

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(` in Cr)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certifica te being issued	Other Secured Debt	Debt for which this certifica te being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari- passu charge)	Other assets on which there is pari-Passu charge (excludin g items covered in column F)		Debt amount considere d more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(=K+L+M+ N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property,Plant and Equipment		-	-	No	-	13.26	5.56	-	18.82	-	-	-	-	-
Capital Work-in- Progress		-	80.64	No	-	-	-	-	80.64	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	2.95	-	2.95	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	0.78	-	0.78	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	0.15	-	0.15	-	-	-	-	-
Investments		533.66	-	No	-	-	426.86	-	960.52	-	533.66	-	-	533.66
Loans	Loans & Advances given included spread receivable on assigned portfolio	497.28	5,116.99	No	-	2,239.46	300.93	-	8,154.66	-	497.28	-	-	497.28
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	6.66	-	6.66	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	305.85	-	305.85	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	644.83	No	-	-	260.24	-	905.07	-	-	-	-	-
Others		-	-	No	-	-	87.55	-	87.55	-	-	-	-	-
Total		**1,030.94**	**5,842.46**		**-**	**2,252.72**	**1,397.53**	**-**	**10,523.65**	**-**	**1,030.94**	**-**	**-**	**1,030.94**

Annexure - 1

Standalone Security Cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(` in Cr)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certifica te being issued	Other Secured Debt	Debt for which this certifica te being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari- passu charge)	Other assets on which there is pari-Passu charge (excludin g items covered in column F)		Debt amount considere d more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(=K+L+M+ N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
LIABILITIES														
Debt securities to which this certificate pertains	Secured debentures	925.97	-	No	-	-	-	-	925.97	-	-	-	-	-
Other debt sharing pari-passu charge with above debt			-	No	-	-	-	-	-	-	-	-	-	-
Other Debt			-	No	-	-	-	-	-	-	-	-	-	-
Subordinated debt			-	No	-	-	310.29	-	310.29	-	-	-	-	-
Borrowings			-	No	-	-	-	-	-	-	-	-	-	-
Bank		Not to be filled	4,453.35	No	-	1,222.14	-	-	5,675.49	-	-	-	-	-
Debt Securities			-	No	-	-	-	-	-	-	-	-	-	-
Others (Term Loan)			936.49	No	-	-	-	-	936.49	-	-	-	-	-
Trade Payables			-	No	-	-	47.89	-	47.89	-	-	-	-	-
Lease Liabilities			-	No	-	-	3.20	-	3.20	-	-	-	-	-
Provisions			-	No	-	-	10.59	-	10.59	-	-	-	-	-
Others			-	No	-	-	212.58	-	212.58	-	-	-	-	-
Total		**925.97**	**5,389.84**		**-**	**1,222.14**	**584.55**	**-**	**8,122.50**	**-**	**-**	**-**	**-**	**-**
Cover on Book Value		**1.11**			**NA**									
Cover on Market Value														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

Note: We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended September 30, 2024.

SORAB S. ENGINEER & CO. FIRM REG. NO. 110417W AHMEDABAD CHARTERED ACCOUNTANTS

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2024/104

October 23, 2024

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
General Manager
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: **540749, 947381**

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Submission of Statement pursuant to Regulation 52(7) and Regulation 52(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

We would like to inform you that pursuant to Regulation 52(7) and Regulation 52(7A) of the SEBI Listing Regulations, all the proceeds of issue of non-convertible debentures issued during the quarter and half year ended on September 30, 2024 were utilized for specified object as per their respective offer document and there is no deviation/variation.

Please find enclosed a copy of the statement in the format prescribed by SEBI.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For, MAS Financial Services Limited

Riddhi Bhaveshbhai Bhayani
Company Secretary and Chief Compliance Officer
ACS No.: A41206

Encl.: As above

Statement of Deviation or Variation

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of Instrument	Date of raising fund	Amount Raised	Funds Utilized	Any Deviation (Yes/No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
MAS Financial Services Limited	INE348L07217	Private placement	rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures (NCDs)	28/08/2024	150 Crore.	Yes	No	NA	NA

B. Statement of deviation/ variation in use of Issue proceeds:

Name of listed entity	MAS Financial Services Limited
Mode of Fund Raising	Private Placement
Type of instrument	rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures (NCDs)
Date of Raising Funds	August 28, 2024
Amount Raised	Rs. 150 Crores
Report filed for quarter ended	September 30, 2024
Is there a Deviation / Variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the audit committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable

Objects for which funds have been raised and where there has been a deviation, in the following table: **Not Applicable, since there is no deviation.**

Original Object	Modified Object, if any	Original allocation, if any	Modified Object, if any	Fund utilized	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
Not Applicable						

For, MAS Financial Services Limited

Riddhi Bhaveshbhai Bhayani
Company Secretary & Chief Compliance Officer
Membership No.: A41206

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2024/105

October 23, 2024

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
General Manager
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: **540749**

Trading Symbol: **MASFIN**

Dear Sir,

Sub: Disclosures of Related Party Transactions Pursuant to Regulation 23(9) of the Securities and Exchange board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Please find enclosed herewith Disclosures of Related Party Transactions on a consolidated basis for the half year ended on September 30, 2024.

Kindly take the same on your record.

Thanking you,
Yours faithfully,

FOR, MAS FINANCIAL SERVICES LIMITED

RIDDHI BHAYANI
(COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER)
MEMBERSHIP NO.: A41206

Encl.: As above

MAS Financial Services Limited

Disclosure of related party transactions for the half year ended 30 September 2024

(₹ in crores)

									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)
1	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.	Subsidiary	Rent income	0.05	0.05	-	-								
2	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Recovery contract charges received	0.02	0.02	-	-								
3	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Portfolio monitoring charges paid	-	*	-	-								
4	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Reimbursement of expenditure at cost	0.01	0.01	-	-								
5	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Cross Charges Payment for professional services	0.07	0.07	-	-								
6	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Dividend Income	Approved by Board	1.26	-	-								
7	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Investment in equity shares	Approved by Board	3.33	37.21	40.54								
8	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Investment in preference shares	Approved by Board	(3.33)	24.00	20.67								
9	MAS Financial Services Ltd.	MAS Rural Housing & Mortgage Finance Ltd.		Guarantees outstanding	-	-	0.46	0.36								
10	MAS Financial Services Ltd.	Masfin Insurance Broking Private Limited	Subsidiary	Investment in equity shares	-	-	0.35	0.35								
11	MAS Rural Housing and Mortgage Private Limited	Masfin Insurance Broking Private Limited	Associate	Investment in equity shares	-	-	0.15	0.15								
12	MAS Financial Services Ltd.	Mr. Kamlesh C. Gandhi	Chairman and managing director	Remuneration (including bonus)	Approved by Board	3.81	0.36	0.22								
13	MAS Financial Services Ltd.	Mrs. Darshana S. Pandya	Director and chief executive officer	Remuneration (including bonus)	Approved by Board	0.51	0.03	0.02								
14	MAS Financial Services Ltd.	Mr. Umesh Shah	Independent director	Sitting fees	Approved by Board	0.05	-	-								
15	MAS Financial Services Ltd.	Mrs. Daksha Shah	Independent director	Sitting fees	Approved by Board	0.04	-	-								
16	MAS Financial Services Ltd.	Mr. Narayanan Sadanandan	Independent director	Sitting fees	Approved by Board	0.04	-	-								
17	MAS Financial Services Ltd.	Mr. Vishal Vasu	Independent director	Sitting fees	Approved by Board	0.02	-	-								

MAS Financial Services Limited

Disclosure of related party transactions for the half year ended 30 September 2024 **(₹ in crores)**

									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/ advance/ inter-corporate deposit/ investment	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end-usage)
18	MAS Rural Housing and Mortgage Private Limited	Mr. Subir Nag	Independent director	Sitting fees	Approved by Board	*	-	-								
19	MAS Rural Housing and Mortgage Private Limited	Mr. Daksha Shah	Independent director	Sitting fees	Approved by Board	0.02	-	-								
20	MAS Rural Housing and Mortgage Private Limited	Mr. Umesh Shah	Independent director	Sitting fees	Approved by Board	0.02	-	-								
21	MAS Financial Services Ltd.	Dev Information Technology Private Limited	Relative of Independent director	Computer Software services expense paid	Approved by Board	0.04	-	-								
22	MAS Financial Services Ltd.	Dev Information Technology Private Limited	Relative of Independent director	Professional Fees payment	Approved by Board	0.01	-	-								
23	MAS Financial Services Ltd.	Light Microfinance Private Limited	Relative of Independent director	Interest Income on Loans given	Approved by Board	0.28	12.50	10.42								
24	MAS Financial Services Ltd.	Light Microfinance Private Limited	Relative of Independent director	Interest Income on Investments in Debentures	Approved by Board	0.14	5.15	3.43								
25	MAS Financial Services Ltd.	Mr. Dhvanil K. Gandhi	Director	Remuneration (including bonus)	Approved by Board	0.25	0.01	0.01								
26	MAS Financial Services Ltd.	Mr. Saumil D. Pandya	Relative of KMP	Remuneration (including bonus)	Approved by Board	0.40	0.02	0.01								

* Represents amount less than ₹ 50,000.

Note:

1. All the transaction values are excluding taxes and duties.
2. Disclosure has been made only when there have been transactions or any outstanding balances with related parties.
3. Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key management personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis.

4. Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to individual key management personnel are not specifically identified and hence are not included above.

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2024/106

October 23, 2024

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Scrip Code: **540749**

To,
General Manager
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Press Release for the quarter ended on September 30, 2024

Please find enclosed herewith Press Release for the quarter ended on September 30, 2024.

Thanking you,

Yours faithfully,

For, **MAS Financial Services Limited**

Riddhi Bhaveshbhai Bhayani
Company Secretary and Chief Compliance Officer
ACS No.: 41206

Encl.: As above

Regd. Office :
6, Ground Floor, Narayan Chambers,
B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
CIN : L65910GJ1995PLC026064
+ 91(O) 079 4110 6500 / 079 3001 6500
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www.mas.co.in
mfsl@mas.co.in

The Power of Distribution

25 Years Of ENDEAVOURS

PRESS RELEASE

MAS Financial Services Limited Results – 2nd Quarter FY 25

A Robust Financial Performance

The consolidated AUM of the company crossed ₹ 11,600 Crores

A strong growth of 22.35% in AUM & 25.31% in PAT

Wednesday, 23rd October 2024, Ahmedabad: The Board of Directors of MAS Financial Services Limited (MAS Financial) (BSE: 540749, NSE: MASFIN), specialized in MSME financing, announced today the unaudited financial results for the quarter ended 30th September 2024.

118 Quarters of Consistent Financial Performance is the testimony of the strong fundamentals of the company, which has been followed over more than two and half decades. We witnessed a healthy growth in business activities across the segments we serve, during the quarter. The consolidated disbursement was ₹ **3082.53 Crores during the quarter ended 30th September 2024.**

Performance Highlights – (Consolidated)

MAS Financial Services Limited on a consolidated basis reports Assets under Management (AUM) of ₹ 11681.18 Crores and Profit after Tax (PAT) of ₹ 77.62 Crores for the quarter ended 30th September 2024 from ₹ 9547.07 Crores and ₹ 61.94 Crores respectively for the quarter ended 30th September 2023.

- A Growth of **22.35 %** in AUM and **25.31 %** in PAT over the corresponding period of the previous year.

Performance Highlights – MAS Financial Services limited (Standalone)

MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 11016.65 Crores and Profit after Tax (PAT) of ₹ 76.57 Crores for the quarter ended 30th September 2024 from ₹ 9046.19 Crores and ₹ 60.01 Crores respectively for the quarter ended 30th September 2023. The AUM as on 30th June 2024 was ₹ 10383.59 Crores. The standalone disbursement was ₹ 3022.13 Crores during the quarter ended 30th September 2024.

- A Growth of **21.78 %** in AUM and **27.60 %** in PAT over the corresponding period of the previous year.
- Capital Adequacy Ratio (including Tier II capital) as of 30th September 2024 stood at **26.52%.** The Tier-I capital stood at **23.76%.**
- The portfolio quality remained stable and strong **at 2.36% gross stage 3 assets and 1.57% net stage 3 assets of AUM as compared** to **2.29%** gross stage 3 assets and **1.52%** net stage 3 assets of AUM as on 30th June 2024.
- The company continues to carry a management overlay of **₹ 17.60 Crores** as on 30th September 2024, **0.20%** of the on book assets.

(₹ in Crores)

Particulars	Q2'25	Q2'24	YoY	FY24
Assets Under Management	11016.65	9046.19	21.78%↑	10125.61
Total Income	366.95	296.52	23.75%↑	1,229.28
Profit Before Tax	102.07	80.02	27.56%↑	331.42
Profit After Tax	76.57	60.01	27.60%↑	247.75

(₹ in Crores)

Asset Under Management (AUM)*	September-24	September -23	YoY
Micro-Enterprise Loans	4745.79	4260.43	11.39%↑
SME Loans	3973.97	3232.86	22.92%↑
2-Wheeler Loans	711.73	623.93	14.07%↑
Commercial Vehicle Loans	900.28	556.53	61.77%↑
Salaried Personal Loans	684.88	372.44	83.89%↑
TOTAL AUM	**11016.65**	**9046.19**	**21.78%↑**

*Represents underlying assets in each of the categories. As on 30th September 2024, 33.91% of the total underlying assets are through various NBFCs.

The **MSME segment** contributed **~62%** in the **YoY AUM growth** of the company while other products also contributed meaningfully.

Performance Highlights – ASAS Rural Housing and Mortgage Finance Limited (Standalone)

ASAS Rural Housing and Mortgage Finance Limited reports Assets under Management of ₹ 664.53 Crores and Profit after Tax of ₹ 2.37 Crores for the quarter ended 30th September 2024 from ₹ 500.87 Crores and ₹ 1.90 Crores respectively for the quarter ended 30th September 2023.

- A very strong growth of **32.67%** in AUM and **24.63%** in PAT over the corresponding period of the previous year.

- Capital Adequacy Ratio (including Tier II capital) as on 30th September 2024 stood at **33.68 %.** The Tier-I capital stood at **28.19 %.**
- The portfolio quality remained stable and strong at **0.93%** gross stage 3 assets and **0.68%** net stage 3 assets of AUM as compared to **0.90%** gross stage 3 assets and **0.65%** net stage 3 assets of AUM as on 30th June 2024.
- The company continues to carry a management overlay of **₹ 3.00 Crores** as on 30th September 2024, **0.61%** of the on book assets.

(₹ in Crores)

Particulars	Q2'25	Q2'24	YoY	FY24
Assets Under Management	664.53	500.87	32.67%↑	596.29
Total Income	19.87	14.74	34.83%↑	62.46
Profit Before Tax	3.04	2.47	23.49%↑	9.58
Profit After Tax	2.37	1.90	24.63%↑	7.58

Commenting on the performance, Mr. Kamlesh Gandhi - Founder, Chairman & Managing Director, MAS Financial said,

"We remain focused and committed to our basics of extending credit where it is due while demonstrating over all robust performance. We are confident to maintain a fundamentally strong and consistent growth. Adequate capitalization, strong asset quality and a track record of more than 25 years to navigate across various cycles will ensure the same thus creating value on a large scale for all its stakeholders.

Team MAS remains committed to its mission of excellence through endeavors."

For and on behalf of the Board of Directors

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN 00044852)

Place: Ahmedabad
Date: October 23rd, 2024

EXCELLENCE THROUGH ENDEAVOURS

MAS

FINANCIAL SERVICES LTD.

The Power of Distribution

29TH ANNUAL REPORT

2023-24

What's Inside

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Tribute to

Late Shri Mukesh Gandhi

Co-Founder (October 20, 1957 – January 19, 2021)

Shri Mukesh Gandhi, who served as our Whole-time Director and CFO, played an instrumental role in transforming our Company from its humble beginnings in 1995 into the specialised retail financing organisation we are today. His great compassion, positivity, enthusiasm, and pragmatism set exemplary precedents throughout his entrepreneurial journey. As a reputed industry expert and popular finance speaker, his vision, vigilance, and zeal for excellence have left an indelible mark on us, propelling our Company to new heights. In honour of his memory, we at Team MAS, remain steadfastly committed to "Excellence through Endeavours", continuing to build on the solid foundation he established.

MFSL (Standalone) Key Numbers

JOURNEY OF 116 QUARTERS

35.71% CAGR
Assets Under Management

39.43% CAGR
Profit After Tax

MRHMFL (Subsidiary) Key Numbers

JOURNEY OF 64 QUARTERS

39.76% CAGR
Assets Under Management

54.60% CAGR
Profit After Tax

FY 2023-24

₹ 10,000 Crores+
Assets Under Management

2.75%
Return on Average AUM

₹ 245 Crores+
Profit After Tax

1.51%
Net Stage 3 Assets

24%+
Capital Adequacy Ratio

16%+
Return on Networth

Credit Rating
Upgraded to CARE AA-
(from CARE A+)

₹ 550 Crores+
Assets Under Management

1.65%
Return on Average AUM

35%+
Capital Adequacy Ratio

0.66%
Net Stage 3 Assets

MAS Financial Services Ltd.

Empowering the Underserved Since 1995

MAS Financial Services Ltd., established in 1995, embarked on a mission to address the financial needs of underserved segments across India. Driven by the belief that consistency and steady performance are the fastest paths to achieving enterprise goals, MAS has grown substantially by serving the credit needs of mid and low-income groups. Its diversified financial product portfolio includes Micro Enterprise Loans, SME Loans, Two-Wheeler Loans, Commercial Vehicle Loans, and Salaried Personal Loans, catering to a wide array of financial needs.

MAS has built a strong distribution network, steadily expanding into adjacent geographies. With 189 branches and a Pan-India presence through 182 NBFC partners, the company has effectively broadened its reach. The integration of technology across all operational verticals has been a significant focus for MAS. Collaborating with over 45 APIs has enabled authentic data sourcing, significantly reducing turnaround time (TAT) for SME and Housing products, improving operational expenses, and allowing for better and faster credit assessments.

Every time we reach a milestone, we believe we have just begun!

Despite facing various micro and macroeconomic challenges such as demonetisation, GST implementation, the NBFC liquidity crisis, and the COVID-19 pandemic, MAS has demonstrated remarkable resilience. Over the past 17 years since its first capital raise, the company has consistently delivered robust and sustainable growth, maintaining a track record of high-quality portfolios with Net Stage 3 Assets below 2%. MAS has also sustained healthy returns on assets and equity, with its growth journey predominantly fuelled by internal accruals.

By actively de-risking across geographies, products, and distribution channels, MAS has maintained best-in-class asset quality across economic cycles and systematic shocks. Beyond merely creating borrowers, MAS has acted as a catalyst in the growth of entrepreneurs, fostering financial empowerment and economic development in underserved communities.

MAS Financial Services Ltd remains committed to its mission, continuously innovating and expanding to better serve its customers and drive inclusive growth.

MAKING AFFORDABLE HOUSING FINANCE AVAILABLE THROUGH MRHMFL

MAS Rural Housing & Mortgage Finance Limited (MRHMFL), a non-deposit taking, NHB registered housing finance institution, targets the affordable housing finance segment. Established in FY 2007-08 and headquartered in Ahmedabad, Gujarat, MRHMFL offers a range of loans including those for purchasing new and old houses, constructing homes on owned plots, home improvement, and commercial property acquisition. Additionally, MRHMFL extends loans to developers for constructing affordable housing projects.

Focussing on rural and semi-urban areas, MRHMFL operates in Gujarat, Maharashtra, Rajasthan, and Madhya Pradesh. With 85 branches and sourcing arrangements with 113 intermediaries – typically project developers and property agents – MRHMFL primarily serves salaried and self-employed individuals. By targeting these segments, MRHMFL continues to play a crucial role in enhancing housing finance accessibility, contributing to the development of affordable housing, and supporting the growth of communities in underserved regions.

Our Journey Highlights

We've come a long way since we began our journey in 1995. Behind the successful connect that we have established with our customers is a rigorous adherence to best practices and a steadfast dedication to quality, which has established a robust foundation that continues to propel us forward. Our progress is a testament to the collective effort and unwavering resolve of our team to excellence and to consistently meeting and exceeding industry standards.

1995
- Year of Incorporation; Commenced retail finance operations with Two-wheeler and Micro-Enterprise loans

2006
- Received first round of capital infusion of ₹ 65 Mn. from Bellwether Micro Fund

2008
- Acquired 2nd & 3rd round of capital infusion worth ₹ 435 Mn. and ₹ 400 Mn. from FMO and ICICI Venture, respectively
- Floated the housing finance subsidiary

2011
- Listing of NCDs on Bombay Stock Exchange

2012
- Received the fourth round of capital infusion of ₹ 650 Mn. from DEG

2013
- Disbursement and AUM crossed ₹ 10 Bn. benchmark

2014
- Sarva Capital purchased 50% CCPS held in secondary deal by FMO

2015
- Raised Subordinate Debenture of ₹ 200 Mn.
- AUM crossed ₹ 20 Bn.

As per calendar year

2016

- Bank loan rating was upgraded to 'IND A' with 'Stable outlook'
- Raised subordinate debentures of ₹ 400 Mn.

2017

- Motilal Oswal PE infused capital of ₹ 1,350 Mn.
- Raised fresh capital of ₹ 2,330 Mn. via IPO
- Listing of Equity Shares on BSE & NSE

2019

- AUM crossed ₹ 50 Bn.
- Bank loan rating upgraded to "Acuité AA-" with Stable outlook and Short-term rating assigned as Acuité A1+

2020

- Completed 25th Year of Endeavours

2021

- Inclusive Finance India Award 2020 – NBFC lending to Micro and Small Enterprises
- Raised ₹ 650 Mn. via market-linked NCDs (MLD)

2022

- ASSOCHAM 8th MSMEs Excellence Awards March 2022 – Best MSME Lending of the Year
- New subsidiary: MASFIN Insurance Broking Private Limited

2023

- Great Place To Work Certified (Jan 2023 - Jan 2024)
- Net Profit for the Year crossed ₹ 2 Bn.
- Consolidated AUM crossed ₹ 100 Bn.

2024

- Standalone AUM crossed ₹ 100 Bn.
- Great Place To Work Certified (Jan 2024 - Jan 2025)
- Long-Term Bank Facilities & NCD rating upgraded to "CARE AA-; Stable"
- ASSOCHAM 10th MSMEs Excellence Awards March 2024 – Best MSME Lending

Message from the Chairman & MD

We are confident that the future holds immense potential for MAS. We will continue to leverage our expertise, strong fundamentals, and commitment to consistency to create long-term value for all our stakeholders.

DEAR SHAREHOLDERS,

On behalf of Team MAS, I am pleased to present MAS's Annual Report for the financial year 2023-24. This year has been one of significant growth and achievement for our company. We crossed several important milestones, be it the consolidated profit after tax (PAT) of ₹ 250 Crores, assets under management (AUM) of ₹ 10,000 Crores, our Long-Term bank facilities and Non-Convertible Debentures rating upgraded to CARE AA- (Outlook: Stable) from CARE A+ (Outlook: Positive), underscoring our financial strength and fundamentals. I am delighted to inform that the company could attract the capital of ₹ 500 Crores through QIP in June 2024. The participation by marquee diverse investors and the overwhelming response to this QIP validates the strong fundamentals of the company maintained over the last 25 years across various cycles. This was our first capital raise after IPO in 2017.

Our consolidated AUM stood at ₹ 10,721.90 Crores as on March 31, 2024, marking a strong growth of 26.05% year-on-year. On crossing the milestone of ₹ 10,000 Crores in consolidated AUM, the Board recommended rewarding shareholders with the issue of Bonus Shares in the proportion of 2:1 in January 2024. The consolidated PAT was ₹ 254.01 Crores for FY 2023-24, a robust growth of 23.41% year-on-year.

On a standalone basis, our AUM increased by 25.12% to ₹ 10,125.61 Crores for FY 2023-24, while total income grew by a spectacular 30.29% to ₹ 1,224.57 Crores and profit after tax grew by 23.28% to ₹ 247.75 Crores, on a year-on-year basis.

Our asset quality remained robust with standalone gross stage 3 assets at 2.25% and net stage 3 assets at 1.51% of AUM as on March 31, 2024. The Capital Adequacy Ratio (including Tier II capital) as of March 31, 2024 stood at 24.05% and Tier-I capital stood at 20.33%.

As a result of this strong performance and in consonance with our policy to reward shareholders, the Company has paid the interim dividend of ₹ 3 per share - pre bonus - (₹ 1 ex-bonus). Additionally, the Board has proposed the final dividend @ 5.10% i.e. ₹ 0.51 per share subject to the approval of the members in the ensuing Annual General Meeting.

Our subsidiary, MAS Rural Housing & Mortgage Finance Ltd, reported a robust performance for FY 2023-24 with 44.26% growth in AUM to ₹ 596.29 Crores and 19.48% growth in PAT to ₹ 7.58 Crores, on a year-on-year basis. The portfolio quality of this subsidiary remained stable at 0.90% gross stage 3 assets and 0.66% net stage 3 assets of AUM as on March 31, 2024. The capital adequacy ratio (including Tier II capital) stood at 38%, of which Tier-I capital was at 30.53% as on March 31, 2024.

To enable us to address business challenges successfully, we have maintained a liability composition that demonstrates a diversified resource mix. From availing term credit and direct assignment to placing listed NCD to attract a wider range of investors and co-lending, we have ensured sufficient liquidity, ALM, de-risking and optimum cost of funds. All these measures have been very vital to the robust and profitable growth of the company. Further, as 80% of the assets are

from the MSME sector, which is the key area of focus of the economy, and banks and financial institutions as well, we have created strong enablers for raising our liability very efficiently. We aim to maintain an ideal debt resource mix which ensures optimum capital utilisation and continuous flow of funds to the company. Majority of our assets qualify for the priority sector lending hence are expected to cater to securitisation/ assignment/co-lending demand and aid de-risking while we manage our off-book portfolio. With a credit rating upgrade this year, we expect capital market borrowing to increase gradually, going ahead.

In terms of operational achievements, your Company has expanded its direct retail distribution, which accounts for 67% of total AUM as of March 31, 2024, notching it up from 62% in March 31, 2023. We have increased the consolidated branches (including housing subsidiary) to 252 as on March 31, 2024, with a reach to more than 12,000 centres across the country.

Our technology-oriented goals are also right on track. The company has tied up with more than 45 APIs to source authenticated data, which will assist us in overall credit process and reduction in TAT. Your company is in the process of introducing BRE and AI to correlate and analyse the data sourced from various APIs, own database, and other sources, which will enable better and faster credit screening and decision-making.

The consolidated workforce of the company stood at 3,692 as on March 31, 2024 with a core team of around 35 employees with the company since inception. The employees play a vital role in driving the growth of our company and we prioritise providing a supportive and motivating work environment to all our employees. The culture at MAS is driven by a belief that "Success is a teamwork - Together we can, and we will".

The Indian financial services industry is experiencing robust growth, fuelled by rising disposable incomes, a burgeoning economy, and increasing digitalisation. Government initiatives to promote financial literacy are further expanding the customer base, contributing to the industry's overall expansion.

Within this dynamic landscape, NBFCs are emerging stronger from the post-COVID-19 slowdown. Credit growth for the sector is projected at 13-14% for FY 2023-24, with a further CAGR of 13-15% anticipated from FY 2022-23 to FY 2024-25. This growth is driven by the increasing adoption of digital technologies, which enhance efficiency, customer experience, compliance, and cost reduction.

MAS is well-positioned to capitalise on these promising trends. Our focus on three key segments – MSME financing, housing finance, and the auto sector – aligns perfectly with the government's priorities and the needs of a growing economy. The government's recognition of MSMEs as the backbone of the Indian economy translates to targeted support and initiatives. This will nurture the MSME segment to flourish, driving overall economic growth.

The housing finance sector is also set to soar, fuelled by rising incomes, improved affordability, and supportive government policies. India's housing finance market is expected to surge at a robust 13% CAGR and presents a significant opportunity for lenders like MAS to cater to the growing demand for homeownership.

With respect to the auto finance segment, the immense potential is apparent from India's ambitious goal of doubling its auto industry size. According to a CRISIL report, the outstanding credit in the overall vehicle financing segment is expected to grow at a very healthy CAGR of 16% - 18% from fiscal 2023-27 reaching the size of ₹ 21 Lakhs Crores and more.

We will progressively move towards ensuring that a larger chunk of business is sourced and serviced via our own network. While NBFC partnership has proved to be an excellent form of intermediation over the last decade, the share of our direct distribution should increase due to deeper penetration in existing geographies and expansion into newer geographies. We will also continue to serve Low-Income and Middle-Income customers (LIG and MIG) across India, ensuring financial inclusion.

Our continued focus on the high opportunity SME, Wheels Portfolio, and Housing Finance sectors are expected to be key growth drivers. We anticipate a growth ranging between 20% - 25% for the next five years on the backing of maintaining high asset quality and healthy ROA and ROCE to enhance our stakeholders' value. We believe that focus on people and process enabled by efficient use of technology will be the key for achieving our stated objective of a consistent and a fundamentally strong growth.

Before I conclude, I would like to acknowledge that all our achievements would not have been possible without the dedication and support of our invaluable stakeholders and very important inputs and monitoring by the regulators. We express our sincere gratitude to our employees, customers, investors, and partners for their continued trust and confidence in MAS.

We are confident that the future holds immense potential for MAS. We will continue to leverage our expertise, strong fundamentals, and commitment to consistency to create long-term value for all our stakeholders.

As we move ahead, Team MAS remains dedicated to its mission of Excellence through endeavours and I trust together we can… and we will…

Kamlesh C. Gandhi

Chairman & Managing Director

Company Overview

MAS Financial Services (MAS) has been registered as an NBFC with the Reserve Bank of India (RBI) since 1995. In our endeavour of over 25 years, we have built a strong ethos of excellence to financially empower individuals and enterprises with access to suitable credit. Our quality offerings focus on fulfilling the credit needs of lower income/middle income segments and MSMEs who require readily available loans to supplement their personal and business incomes, respectively. Working in tandem with India's nationwide financial inclusion drive, we offer diverse loan products that include enterprise loans for MSMEs, Commercial Vehicle Loans, Two-Wheeler Loans, Used Car Loans, Salaried Personal Loans and Housing Loans among others.

We maintain our steadfast focus on providing credit to India's vast lower income and middle income groups, spread across urban, semi-urban and rural areas, in both the formal and informal sector. With this focus, we strive to strengthen our financial services distribution market share by finding ways to evaluate the credit ability of our customers who lack proper and systematic credit documents and credit history via other channels. We leverage technology across the spectrum for quick assessment of the repayment capability of our potential customers, thus allowing us to serve a broader category of customers across India.

Our increasing geographical footprint now expands to 189 branches spread across major cities of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, Telangana, Chhattisgarh, Delhi NCR, Punjab, Haryana, and Uttarakhand. Our 12,000+ centres further help in our quest to offer first-class services via doorstep delivery to our diverse client base.

Our distribution network of partner micro-finance institutions (MFI), non-banking finance companies (NBFCs), housing finance companies (HFCs) and franchisees further help us to extend our financial services across the underpenetrated states and the bottom of the pyramid (BOP) segments, helping serve our valued customers efficiently.

"To be one of the most efficient distributors of financial services and create value on a very large scale"

Vision of MAS puts emphasis on two things:

- To be one of the most efficient distributors of financial services
- To create value on a very large scale

MAS aims to be one of the most efficient distributors of financial services

Efficiency in general describes the extent to which time, effort (labour) or cost (money) is well used for the intended task or purpose. It means optimum use of available resources and to generate the best possible productivity by them. MAS strives for optimum efficiency continuously in all its activities.

In times to come, in the financial services industry, we visualise MAS and the process of "financial services distribution at MAS" to be not only a benchmark for every other company but also to set higher standards periodically, thus competing with ourselves too.

MAS aims to create value on a very large scale

Any business unit should primarily focus on increasing the value of all its stakeholders. The Company should, from time to time, adopt and adapt to such business models where it can accomplish this very important and essential goal of creating value on a very large scale. At present, focus of MAS is on the vast lower income and middle-income groups of the society, spread across urban, semi-urban and rural areas, and including formal and informal sector. Our business model, vast experience, and distribution network place us uniquely in the industry.

"To constantly endeavour to attain excellence, and create a very wide financial distribution network and be a catalyst in providing the most efficient financial services which we term as financial inclusion"

Mission of MAS puts emphasis on three things:

- To constantly endeavour to attain excellence
- MAS continuously takes effort towards its goal of achieving excellence. Excellence is a never-ending process.

To create a very wide distribution network

MAS has always believed in the 'Power of Distribution'. Company has applied 'Excellence through Endeavour' & 'Power of Distribution' in its process to achieve its vision to be the most efficient distributor of financial services.

To be a catalyst in providing the most efficient financial services, which we term as financial inclusion

In the "Financial Services Ecosystem", intermediaries like banks, NBFCs, HFCs play a pivotal role in efficient use of the available resources. MAS always strive to be a responsible and an efficient intermediary in our quest to accomplish our vision.

Beliefs

"We have miles to go & promises to keep"

"Together we can and we will"

Our Product Portfolio – Something for Every Customer

MICRO ENTERPRISE LOAN

Micro Enterprises primarily include retailers, traders, small manufacturers, and service providers. Tenure up to 36 months. The ticket size of these loans ranges from ₹ 0.5 Lakhs to ₹ 25 Lakhs.

TWO-WHEELER LOAN

Two-wheeler loan primarily include loans to farmers, self-employed, salaried individuals, and professionals etc. Tenure up to 36 months. The ticket size of these loans ranges from ₹ 25,000 to ₹ 1.50 Lakhs.

SMALL AND MEDIUM ENTERPRISES (SME) LOAN

SMEs primarily include manufacturers, distributors, dealers, and service providers engaged in various industries and loans include working capital loans, loans for machinery and loans to purchase industrial sheds etc. Tenure up to 60 months. The ticket size of these loans ranges from ₹ 10 Lakhs to ₹ 5 Crores.

SALARIED PERSONAL LOAN

Salaried personal loans to salaried individuals of the approved companies to satisfy their personal need. Tenure up to 60 months. It provides loans of up to ₹ 10 Lakhs.

COMMERCIAL VEHICLES LOAN

CV loans primarily include loans to small road transporters, traders etc. Tenure up to 60 months. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 1 Lakh to ₹ 15 Lakhs.

HOUSING LOAN

MAS through its subsidiary, provide loans for purchase of new and old houses, construction of houses on owned plots, home improvement loans and loans for purchase and construction of commercial property. Tenure up to 30 years. It provides loans of up to ₹ 50 Lakhs for residential and ₹ 1 Crore for commercial.

USED CAR LOAN

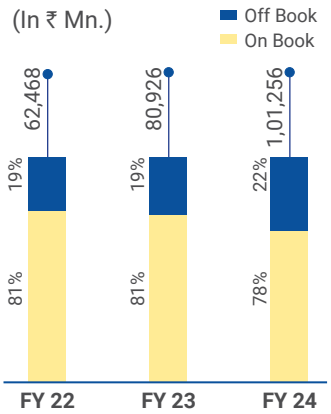
Used car primarily include loans to small traders, manufacturers, self-employed etc. Tenure up to 60 months. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 1 Lakh to ₹ 10 Lakhs.

Financial Performance Highlights (Standalone)

KEY METRICS OF PROGRESS

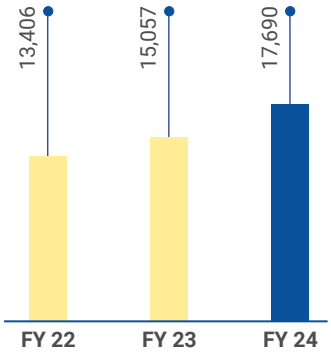
AUM

(In ₹ Mn.)



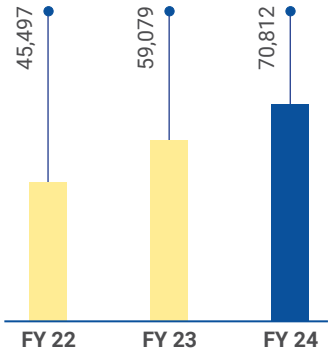
Net Worth

(In ₹ Mn.)



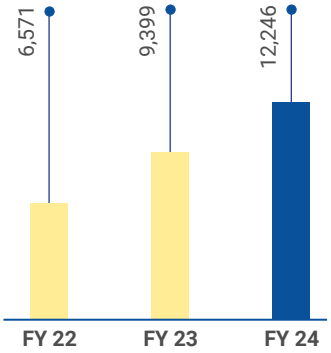
Borrowings

(In ₹ Mn.)



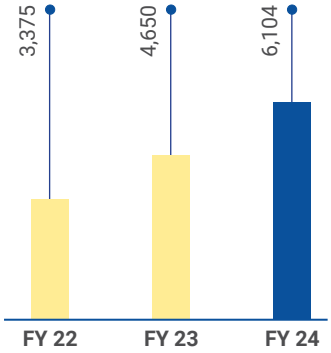
Revenue

(In ₹ Mn.)



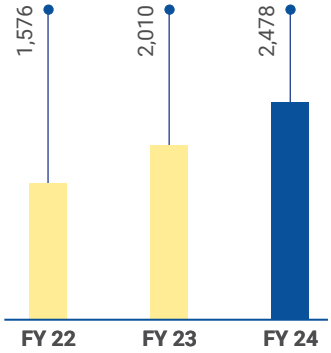
Net Interest Income

(In ₹ Mn.)

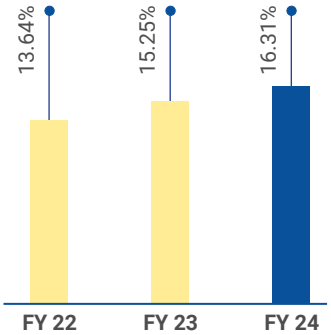


Profit After Tax

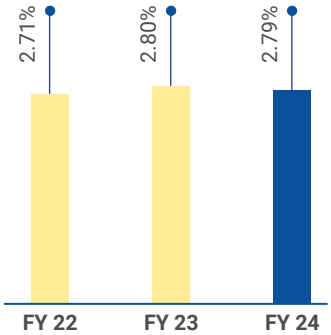
(In ₹ Mn.)



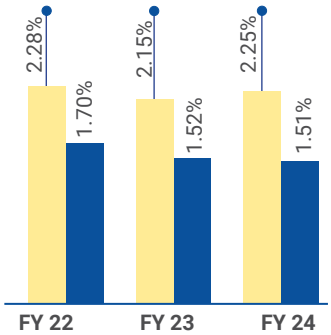
Return on Net Worth



Return on Average AUM



Gross & Net Stage 3 Assets



ESG Initiatives

ENVIRONMENTAL STEWARDSHIP

At MAS Financial Services Limited (MAS), we are deeply committed to an environmentally conscious approach across all our business and operational activities. Our management is dedicated to optimising electricity, energy, and water resources to reduce our carbon and water footprints and minimise waste at all physical locations. Additionally, we strive to adopt renewable energy sources whenever possible.

MAS endeavours to raise awareness among all stakeholders about the importance of environmental conservation and protection. We actively promote eco-friendly products across all value chains, reinforcing our commitment to sustainability.

To ensure the effective implementation and monitoring of our environmental, social, and governance (ESG) initiatives, MAS has established an ESG committee. This committee is tasked with overseeing all activities related to our ESG commitments, ensuring we uphold our values and contribute positively to the environment.

ENHANCING SOCIAL IMPACT

At MAS Financial Services Ltd, "Caring for communities is a way of life". We are deeply committed to giving back to society through our active involvement in Corporate Social Responsibility (CSR) activities. Our focus is on long-term projects in education, health, sanitation, environment, and welfare to ensure overall well-being. Our dedicated CSR committee, comprising one Executive Director and two Independent Directors, oversees these initiatives, ensuring we make a meaningful and lasting impact on the communities we serve.

Our initiatives include:

Hunger & Poverty

- Organised a food distribution drive in Gujarat, providing raw food packets with essential grocery items to villagers.

Shiksha Protsahan

- Identified and supported bright students from more than 30 schools who wish to pursue higher studies.
- Provided basic infrastructure facilities at many schools around Ahmedabad.

Honouring the Valiant Soldiers

- Donated ultrasound machines to the Indian Army - Military Hospital, Ahmedabad.
- Plans to continuously contribute towards war widows' welfare in various aspects.

Blood Donation

- Organised a blood donation camp amid the COVID-19 crisis and in July 2023, in collaboration with the local police station and the Indian Red Cross Society.

Menstrual Hygiene Programme

- Increased awareness by having a team of female staff visit villages to distribute sanitary napkins and educate women about menstrual hygiene.

Arogya Abhiyan

- Provided financial assistance for elderly care to old-age homes.

Anganwadi

Blood Donation

Welfare of War Widows

Shiksha Protsahan

HUMAN RESOURCE AND EMPLOYEE ENGAGEMENT

At MAS Financial Services Ltd., the culture is driven by the belief that "Success is a teamwork - Together, we can and we will". With a total workforce of 3,130 employees on consolidated basis as on March 31, 2024, our commitment to excellence is underpinned by a highly skilled and diverse workforce. The company prioritise providing supportive and positive work environment to employees which promotes growth, engagement, and long-term success. As a result, MAS has around 35 employees who are part of the core team and working with the company since inception and more than 450 employees working with the company for more than 5 years.

Throughout the year, the company carries out various employee engagement activities and celebrations.

Employee Recognition

Women's Day

Ganesh Chaturthi

Independence Day

Navratri

Diwali

Christmas

Happy Hours 2024

STRICT GOVERNANCE COMPLIANCE

- The management of MAS Financial Services Limited adheres to the highest standards of corporate governance and proactively ensures its application across business operations.
- Strict compliance with the regulations of SEBI, RBI and other regulators.
- Rich experienced Board of the Company comprising 7 Directors including 5 Independent Directors. Board comprises two Woman Directors (one Executive and one Independent).
- Regular monitoring & continuous upgradation of internal control system and risk management process. Also, maintaining periodic dialogue with statutory and internal auditors for compliance.
- Adequate processes, operational & IT mechanism to ensure all regulatory & tax compliances and safeguarding privacy and cybersecurity.
- Board-approved policies on Corporate Governance are uploaded on the company's website.

Board of Directors

Mr. Kamlesh C. Gandhi
Founder, Chairman & Managing Director

Mr. Kamlesh C. Gandhi is a proficient and experienced industry practitioner with a brilliant track record, which includes over two decades of managing and propelling the MAS Group's growth. He manages the Company with the guidance and support of the Board and his own understanding and vision are among the key enablers for the consistent performance of the Company. He is the member of Banking and Finance Taskforce of Gujarat Chambers of Commerce and Industry, Chairman of Gujarat Finance Company Association, Co-Chairman of FIDC, an industry body of NBFCs, Co-Chairman of ASSOCHAM MSME Development Council and a member of SME Chamber of India. He is also the Managing Trustee of Smt. Urmilaben Chimanlal Gandhi Foundation. The Foundation currently contributes towards the financial needs in health care and education.

Mrs. Darshana Pandya
Director & CEO

Mrs. Darshana S. Pandya is responsible for leading the operations at MAS. She is also the driving force behind forging relationships between the Company and its partners which amount to Over 175 NBFC-MFIs and NBFCs. After completing her graduation in Commerce, she joined the Company in 1996 as a junior executive. Through her hard work and determination to excel and with support from the management, she has risen to the level of Director & CEO.

Mr. Dhvanil K. Gandhi *(since August 14, 2024)*
Additional Whole-Time Director

Mr. Dhvanil Gandhi holds the extensive experience of more than 10 years in the Company. He has been engaged in key roles alongside the core team of MAS. During his association, he has developed the SME lending vertical of the company through its branches across India and also involved in the insurance business, especially for the captive borrowers and the company has also applied for the insurance broking licence under his leadership to cater to larger spectrum of the customers thereby being catalyst in increasing the much-needed insurance penetration in the county. Mr. Dhvanil Gandhi holds a Bachelor's degree in business administration from prestigious Ahmedabad University – Ahmedabad. He has obtained postgraduate degree from a very renowned institute namely ISB (Indian School of Business – Hyderabad). During his curriculum, he has participated in programmes at Kellogg School of Management, Northwestern University – USA, and IE Business School at Madrid, Spain. He had also attended the summer training programme on Strategic Management at LSE – London School of Economics and a programme on Cross-Cultural Communication & Management at NUS – National University of Singapore.

Mr. Balabhaskaran N. Nair *(up to March 31, 2024)*
Independent Director

Mr. Balabhaskaran N. Nair is a management graduate with two decades of experience in the consultancy and financial sector. Over the years, with his rich work experience, he has gathered a number of management consultancy inputs. He has done his engineering from IIT-Madras, MBA from IIM-Bangalore and CFA from ICFAI.

Mr. Chetan R. Shah *(up to March 31, 2024)*
Independent Director

Mr. Chetan R. Shah holds a bachelor's degree in commerce and a degree in law (general) from Gujarat University. He is also a qualified Chartered Accountant registered with the Institute of Chartered Accountants of India. He has over three decades of experience in the financial services sector and has worked with the Nagpur Cooperative Bank in the capacity of Manager – Finance.

Mr. Umesh R. Shah
Independent Director

Mr. Umesh R. Shah is a qualified Chartered Accountant. He has over three decades of experience in diverse fields connected with Finance, Accounting, Auditing and Taxation. He also has 5 years of hands-on experience of working in an NBFC.

Mrs. Daksha Niranjan Shah
Independent Director

Mrs. Daksha Niranjan Shah is a business graduate from Indian Institute of Management (IIM), Ahmedabad, where she specialised in Finance and Marketing; she is also a student of Economics and Statistics. She has rich experience of more than three decades in diversified fields of Textiles, Chemicals and Financial services. She has undergone various courses such as the course in Microfinance at the Economic Institute, Boulder, Colorado, USA.

Mr. Narayanan Sadanandan
Independent Director

Mr. Narayanan Sadanandan has vast experience of 4 decades in all facets of banking, expertise in Fund Management, Investment Banking, Correspondence & International Banking, Corporate, Commercial and Retail (including MSME) banking. He was an Advisor - Equity Capital Market, SBI Capital Markets Ltd and Ex MD & CEO - SBI Pension Funds Private Ltd. Currently he is also an Independent Director in Allied Blenders and Distillers Ltd and a Senior Advisor, Modulus Alternative Investment Management Ltd.

Mr. Vishal Vasu *(since April 24, 2024)*
Independent Director

Mr. Vishal Vasu is a certified technology specialist on Microsoft platforms and carries a diploma of Management in E-Business. He is holding a rich experience and expertise in the field of IT Industry with a focus on Research & Development activities, innovative ecosystem, Information Technology function, architecture designs, software technology, and cybersecurity, fortifying project development and propelling business growth. He is having over 2 decades of expertise in systems engineering, software development, and information management. His accolades as a certified technology specialist on Microsoft platforms and a certified Cybersecurity Expert attest to his unwavering commitment to excellence. He is currently associated with Dev Information Technology Limited and MINDDEFFT Technologies Private Limited as a Director on the Board of the Companies. He is a frequent speaker, publication contributor and an avid blogger on information technology. His articles have been published in a variety of publications.

Corporate Advisory Committee

MAS Financial Services Limited has formed Corporate Advisory Committee for the year 2024–2025. The committee consist of experienced and eminent persons in their respective fields and will provide strategic inputs and counsel to the company's board of directors and to the executive leadership team on key business initiatives and growth opportunities.

Dr. Rajiv Kumar

Dr. Rajiv Kumar - Former Vice Chairman of NITI Aayog – Government of India's apex think tank, with the rank of a cabinet minister. He is the Founding Director & current Chairman of Pahle India Foundation – a public policy think tank. He also served as an independent director on the Central Boards of the Reserve Bank of India and the State Bank of India.

Mr. TT Srinivasaraghavan

Mr. TT Srinivasaraghavan - Chairman Emeritus of FIDC & Retired MD of Sundaram Finance Ltd. He has over 40 years of experience in the banking and financial services sector and has been associated with leading trade-related organisations. He has been involved with various Committees constituted by the RBI on NBFC-related matters, including the recently constituted Group of Advisors to Regulations Review Authority.

Mr. U.S. Paliwal

Mr. U.S. Paliwal – Secretary General, CCA and CEO of the Association of Small Finance Banks of India. He is Former Executive Director of Reserve Bank of India and Former Director of Bank of Mauritius. He was Nominee Director on the Boards of three PSU banks in India.

Corporate Information

CORPORATE IDENTIFICATION NO.:

L65910GJ1995PLC026064

REGISTERED OFFICE ADDRESS:

6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009.

LISTED ON STOCK EXCHANGE:

National Stock Exchange of India Limited (NSE) & BSE Limited (Bombay Stock Exchange)

BOARD OF DIRECTORS:

Mr. Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN: 00044852)

Mrs. Darshana Pandya
(Director & Chief Executive Officer)
(DIN: 07610402)

Mr. Dhvanil K. Gandhi
(Since August 14, 2024)
(Additional Whole Time Director)
(DIN:10562922)

Mr. Balabhaskaran Narayanan Nair
(up to March 31, 2024)
(Non-Executive Independent Director)
(DIN: 00393346)

Mr. Chetan Ramniklal Shah
(up to March 31, 2024)
(Non-Executive Independent Director)
(DIN: 02213542)

Mr. Umesh Rajanikant Shah
(Non-Executive Independent Director)
(DIN: 07685672)

Mrs. Daksha Niranjan Shah
(Non-Executive Independent Director)
(DIN: 00376899)

Mr. Narayanan Sadanandan
(Non-Executive Independent Director)
(DIN: 07263104)

Mr. Vishal Vasu *(since April 24, 2024)*
(Non-Executive Independent Director)
(DIN: 02460597)

CHIEF FINANCIAL OFFICER:

Mr. Ankit Jain

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER:

Ms. Riddhi Bhaveshbhai Bhayani
(Mem. No. A41206)

STATUTORY AUDITORS:

Outgoing Auditors:
M/s. Mukesh M. Shah & Co.
Chartered Accountants
Firm's Registration No. 106625W

Incoming Auditors:
M/s. Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W

REGISTRAR & SHARE TRANSFER AGENT:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai - 400 083,
Maharashtra, India

DEBENTURE TRUSTEE:

CATALYST TRUSTEESHIP LTD.
Unit No.901, 9th Floor,
Tower-B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel (W),
Mumbai - 400013
Contact No.: +91 22 4922 0555
Email ID: ComplianceCTL-Mumbai@ctltrustee.com

AUDIT COMMITTEE MEMBERS:

As on March 31, 2024
Mr. Chetan Ramniklal Shah *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mr. Balabhaskaran Narayanan Nair *(Member)*
Mr. Umesh Rajanikant Shah *(Member)*

Effective from April 01, 2024
Mr. Umesh Rajanikant Shah *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mrs. Daksha Shah *(Member)*
Mr. Narayanan Sadanandan *(Member)*

STAKEHOLDERS RELATIONSHIP COMMITTEE MEMBERS:

As on March 31, 2024
Mr. Chetan Ramniklal Shah *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mr. Balabhaskaran Narayanan Nair *(Member)*

Effective from April 01, 2024
Mr. Narayanan Sadanandan *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mr. Umesh Rajanikant Shah *(Member)*

NOMINATION & REMUNERATION COMMITTEE MEMBERS:

As on March 31, 2024
Mr. Umesh Rajanikant Shah *(Chairman)*
Mr. Chetan Ramniklal Shah *(Member)*
Mr. Balabhaskaran Narayanan Nair *(Member)*

Effective from April 01, 2024
Mrs. Daksha Shah *(Chairman)*
Mr. Umesh Shah *(Member)*
Mr. Narayanan Sadanandan *(Member)*

CSR COMMITTEE MEMBERS:

As on March 31, 2024
Mr. Umesh Rajanikant Shah *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mr. Balabhaskaran Narayanan Nair *(Member)*

Effective from April 01, 2024
Mrs. Daksha Shah *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mr. Umesh Shah *(Member)*

RISK MANAGEMENT COMMITTEE MEMBERS:

As on March 31, 2024
Mr. Chetan Ramniklal Shah *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mr. Umesh Rajanikant Shah *(Member)*

Effective from April 01, 2024
Mrs. Daksha Shah *(Chairman)*
Mrs. Darshana Pandya *(Member)*
Mr. Umesh Shah *(Member)*

LIST OF BANKING RELATIONSHIPS & SUBSCRIBERS TO DEBT ISSUES:

Aditya Birla Finance Ltd.
Axis Bank Ltd.
Bajaj Finance Ltd.
Bandhan Bank Ltd.
Bank of Baroda
Bank of India
Bank of Maharashtra
Baroda Gujarat Gramin Bank
Canara Bank
Capital Small Finance Bank
City Union Bank
CSB Bank
DBS Bank
Dhanlaxmi Bank
HDFC Bank Ltd.
Hero Fincorp Ltd.
ICICI Bank
IDBI Bank Ltd.
IDFC First Bank Ltd.
Indian Bank
Indian Overseas Bank
IndusInd Bank Ltd.
Jana Small Finance Bank
Karnataka Bank Ltd.
Kotak Mahindra Bank Ltd.
Mudra Ltd.
Nabkisan Finance Ltd.
Nabsamruddhi Finance Ltd.
NABARD
Poonawala Fincorp Ltd.
Punjab National Bank
SBM Bank (India) Ltd.
Shinhan Bank
Small Industries Development Bank of India
South Indian Bank
Standard Chartered
State Bank of India
Sundaram Finance Limited
Tamilnad Mercantile Bank
The Federal Bank Ltd.
The Karur Vysya Bank Ltd.
UCO Bank
Union Bank of India
Utkarsh Small Finance Bank

Notice

NOTICE is hereby given that the Twenty Nine (29th) Annual General Meeting (AGM) of the Members of MAS Financial Services Limited will be held at 11:30 A.M. on Wednesday, September 11, 2024 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2024 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare Final Dividend of ₹ 0.51/- per Equity Share of ₹ 10/- each for the financial year ended on March 31, 2024.

3. To appoint a Director in place of Mrs. Darshana Pandya (DIN: 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

4. To appoint Auditor and fix remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and the rules made there under and pursuant to recommendation received from the Audit Committee and Board of Directors of the Company, M/s. Sorab S. Engineer & Co., Chartered Accountants (Firm's Registration No: 110417W) be and are hereby appointed as the Statutory Auditors of the Company by the Board of Directors in their meeting held on July 24, 2024 with effect from the conclusion of the board meeting wherein the results / limited review report for the quarter ended June 30, 2024 are approved / adopted, for a period of 3 consecutive years in compliance with RBI circular no. RBI/2021-22/25 Ref. No. DoS. CO. ARG / SEC.01 / 08.91.001 / 2021-22 dated April 27, 2021 who shall hold office from the conclusion of the 29th Annual General Meeting of the Company to be held for the financial year 2023-24 till the conclusion of the 32nd Annual General Meeting to be held for the financial year 2026-27 and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period."

SPECIAL BUSINESS:

5. To regularize the appointment of Mr. Dhvanil Gandhi (DIN: 10562922) as the Director of the Company:

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:

   "RESOLVED THAT pursuant to the provisions of Section 152, 160, 161(1) and all other applicable provisions of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in pursuance to recommendation of Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company and prior approval of the RBI received vide letter dated July 17, 2024, subject to completion of all the statutory compliances and requirements, the approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Dhvanil Gandhi (DIN: 10562922), who has signified his consent in Form DIR-2, as Director of the Company with effect from August 14, 2024 and whose office is liable to retire by rotation.

   RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary of the Company be and are hereby individually authorized to do all such acts, deeds, matters, steps and things as it may deem necessary to give effect to the above-mentioned resolution."

6. To appoint Mr. Dhvanil Gandhi (DIN: 10562922) as the Whole-Time Director of the Company.

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modifications:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) in context of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and the Articles of Association of the Company, and in pursuance to recommendation of Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company and prior approval of the

RBI received vide letter dated July 17, 2024, subject to completion of all the statutory compliances and requirements, the approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Dhvanil Gandhi (DIN: 10562922), who has signified his consent in Form DIR-2, as the Whole-time Director of the Company for a period of 5 years with effect from August 14, 2024 and whose office is liable to retire by rotation.

RESOLVED FURTHER THAT the aggregate amounts of Managerial Remuneration to be paid to Mr. Dhvanil Gandhi (DIN: 10562922) individually which shall be within the overall ceiling limit as laid down in Section 197 and other applicable provisions of the Companies Act, 2013 and any amendment thereof and in compliance with Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

RESOLVED FURTHER THAT approval of members of the Company be and is hereby given to the Board of Directors of the Company (including Committee thereof) to make any further revision in the remuneration payable to Mr. Dhvanil Gandhi during the tenure of his appointment which shall be within the overall ceiling limits as laid down in Section 197 and other applicable provisions of the Companies Act, 2013 and any amendments thereof.

RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the Company be and are hereby individually authorized to file necessary forms with the office of Registrar of Companies and to do all such acts, deeds and things as may be required in order to give effect to the above resolution. ”

Regd. Office:
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

By order of the Board

Riddhi Bhayani
Company Secretary &
Chief Compliance Officer
(Mem. No. A41206)

Place : Ahmedabad
Date : August 14, 2024

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) read together with the rules made thereunder and other applicable provisions, if any, in respect of the business under Item No. 4, 5, 6 & 7 of the Notice is annexed hereto and forms part of this Notice.

2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, General Circular No.2/2022 dated May 05, 2022, General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 (“MCA Circulars”) and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) including Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, has permitted the Companies to conduct the Annual General Meeting (‘AGM’) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till September 30, 2024. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 (the ‘Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘SEBI Listing Regulations’), the 29th AGM of the Company shall be conducted through VC/OAVM (hereinafter called ‘AGM’). Central Depository Services (India) Limited (“CDSL”) will provide facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note below and is also available on the website of the Company at www.mas.co.in.

3. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards’ report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars dated September 25, 2023 and SEBI Circular dated October 7, 2023, Notice of 29th AGM along with the Annual Report for F.Y. 2023-2024 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ depositories. Members may note that the Notice of the 29th AGM and Annual Report for F.Y. 2023-2024 will also be available on the Company’s website at www.mas.co.in, website of the stock exchanges i.e., BSE Ltd. (‘BSE’) at www.bseindia.com and National Stock Exchange of India Ltd. (‘NSE’) at www.nseindia.com and on the website of CDSL at https://www.evotingindia.com/. In this notice, the term member(s) or shareholder(s) are used interchangeably.

4. The deemed venue for 29th AGM shall be the Registered Office of the Company at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009.

5. In terms of Section 152 of the Companies Act, 2013, Mrs. Darshana Pandya, (DIN: 07610402), Director and Chief Executive Officer of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment/appointment at this AGM is annexed.

6. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 05, 2024 to Wednesday, September 11, 2024 (both days inclusive).

7. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

8. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effect from April 01, 2020. Accordingly, the Company is required to deduct tax at source from dividend subject to the approval of payment of dividend to shareholders. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

9. In terms of section 124(5) of the Act, dividend amount for FY 2017-18 remaining unclaimed for a period of 7 years shall become due for transfer in November 2024 to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a consecutive period of 7 years, the corresponding shares shall also be transferred to the IEPF's demat account. Members who have not claimed dividends from FY 2017-18 onwards are requested to approach the Company/Link Intime India Private Limited (RTA) of the Company for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.

10. To support the 'Green Initiative', the Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form. Further, members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

11. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to ravi@ravics.com with a copy marked to riddhi_bhayani@mas.co.in

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and pursuant to above mentioned MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

14. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

15. Pursuant to MCA General Circular No. 09/2023 dated September 25, 2023, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives

of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 02, 2024 (upto 05:00 P.M.) through email on riddhi_bhayani@mas.co.in. The same will be replied by the Company suitably.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS 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 Saturday, September 07, 2024 at 09:00 a.m. and ends on Tuesday, September 10, 2024 at 05:00 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 Wednesday, September 04, 2024 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.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and May 13, 2022, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **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 evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider

Type of Shareholders	Login Method
	for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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 or joining virtual meeting & voting during the meeting. 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 or joining virtual meeting & voting during the meeting.

Type of Shareholders	Login Method
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 or joining virtual meeting & voting during the meeting.

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.

(v) Login method for e-Voting and joining virtual meetings 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 Shareholders holding shares in Demat Form other than individual and Physical Form
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.

	For Shareholders holding shares in Demat Form other than individual and Physical Form
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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN: 240812025 for the MAS Financial Services Limited on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **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 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 at his e-mail address ravi@ravics.com and to the Company at the email address viz; riddhi_bhayani@mas.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at riddhi_bhayani@mas.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at riddhi_bhayani@mas.co.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDER'S WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 riddhi_bhayani@mas.co.in.

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 attending AGM & 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 - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting as well as e-voting during the AGM and make, not later than two working days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.mas.co.in and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts.

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4, 5 & 6 of the Notice.

Item No. 4 – Appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants as Statutory Auditors:

M/s. Mukesh M. Shah & Co. were appointed as the Statutory Auditors of the Company at the 26th AGM of the Company held on August 25, 2021 and their tenure of three consecutive years will expire upon the conclusion of the ensuing Annual General Meeting of the Company scheduled on September 11, 2024. Pursuant to the RBI circular dated 27 April, 2021 on Guidelines for appointment of statutory auditors of banks and NBFCs, M/s. Mukesh M. Shah & Co. will be ineligible to continue as the Statutory Auditors due to completion of 3 years tenure in the Company. In view of the same, the Board recommends the appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants as the statutory auditors of the Company with effect from the board meeting wherein the results / limited review for the quarter ended June 30, 2024 are approved / adopted, subject to the approval of the shareholders.

DISCLOSURE UNDER REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Proposed statutory audit fee payable to auditors	Up to ₹ 46.75 Lakh (Excluding Taxes) with respect to statutory audit and limited review fees during the Financial Year 2024-25. In aggregate as may be decided by the Board of Directors including any committee thereof. This remuneration excludes the fees payable for other certificates to be obtained from the Statutory Auditors.
Terms of appointment	M/s. Sorab S. Engineer & Co., Chartered Accountants are recommended for appointment for a term of three years from the conclusion of the 29th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company.
Material change in fee payable	No material change in fee for the proposed auditors. Outgoing auditors were paid ₹ 58 Lakh with respect to statutory audit and limited review fees during the Financial Year 2023-24.
Basis of recommendation and auditor credentials	The recommendations are based on the fulfilment of the eligibility criteria prescribed by RBI guidelines and the Companies Act, 2013 with respect to the full time partners, statutory audit experience of the firms, capability, independence assessment, audit experience of banks and NBFCs. M/s. Sorab S. Engineer & Co. (SSE) established in 1914, having its Head office at Mumbai, including branch offices at Ahmedabad, Bengaluru, Kanpur, Savarkundla and local offices at Anand and Vadodara. The firm has significant experience of providing range of services such as Assurance, Direct/Indirect taxation, Management Consultancy and financial/corporate advisory to the various clients in various industries including Bank & NBFCs. Also, the team consists of Senior chartered accountants (including partners), audit executives and interns, qualified and trained to deliver desired results with relevant skillset and expertise.

Item No.: 5 and 6. To appoint Mr. Dhvanil Gandhi (DIN: 10562922) as the Whole-Time Director of the Company:

Pursuant to the prior approval received from the RBI vide letter dated July 17, 2024 and on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in their meeting held on August 14, 2024 has appointed Mr. Dhvanil Gandhi (DIN: 10562922) as the Additional Director of the Company, subject to the approval of the members in this Annual General Meeting with effect from August 14, 2024, whose office is liable to retire by rotation.

As per Section 161 of the Companies Act, 2013, an additional director shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier. Further in terms of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Further, your Company is 29 years old NBFC with an immaculate track record. As it ushers in to the next phase of growth, strengthening the Board and Management team assumes paramount importance. In consideration of the same, the Nomination and Remuneration Committee in its meeting held on March 27, 2024 has conducted a thorough evaluation and assessment of Mr. Dhvanil Gandhi and concluded that he has demonstrated exceptional skills and commitment which is suitable for the position of Whole Time Director in the Company. Mr. Dhvanil Gandhi is associated with Company since April, 2014 and currently designated as Executive Vice President of the Company.

Mr. Dhvanil Gandhi holds a Bachelor's degree in business administration from prestigious Ahmedabad University - Ahmedabad. He has obtained postgraduate degree from a very renowned institute namely ISB (Indian School of Business - Hyderabad) during which he had an opportunity to participate in programs at Kellogg School of Management, Northwestern University - USA, and IE Business School at Madrid, Spain. He had also attended the summer training programme on Strategic Management at LSE -London School of Economics and a program on Cross-Cultural Communication & Management at NUS - National University of Singapore. Over the last decade, he has been engaged in key roles alongside the core team of the Company and has gained hands-on experience in various aspects of the business and besides demonstrating a strong succession plan for the Company; his induction will further strengthen the Board of the Company.

As per the recommendation of the Nomination and Remuneration Committee and pursuant to the prior approval received from the RBI vide letter dated July 17, 2024, the Board of Directors in their meeting held on August 14, 2024 has appointed Mr. Dhvanil Gandhi (DIN: 10562922) as the Whole Time Director of the Company for a period of 5 years with effect from August 14, 2024, subject to approval of Members at the this Annual General Meeting of the Company, on such terms and conditions as set out in this item of the Notice and as per agreement executed between Mr. Dhvanil Gandhi and the Company and whose office shall be liable to retire by rotation.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Mr. Dhvanil Gandhi and Mr. Kamlesh Gandhi are deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the ordinary resolutions set out at Item No. 5 and Item No. 6 of the Notice for approval by members.

Regd. Office:
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

By order of the Board

Riddhi Bhayani
Company Secretary &
Chief Compliance Officer
(Mem. No. A41206)

Place : Ahmedabad
Date : August 14, 2024

ANNEXURE TO THE EXPLANATORY STATEMENT

INFORMATION AS REQUIRED UNDER REGULATION 36(3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA CERTAIN ADDITIONAL DISCLOSURES IN RESPECT OF DIRECTORS BEING REAPPOINTED / APPOINTED:

Particulars	Retire by Rotation (Re-appointment as the Director)
Name of the Director	Mrs. Darshana Saumil Pandya
DIN	07610402
Date of birth	November 17, 1972
Age	51 Years
Qualification	She holds Bachelor's degrees in Commerce from Gujarat University.
Experience (including expertise in specific functional area) / Brief Resume	She has over 26 years of experience in the financial service sector. She is responsible for leading the operations at MAS and also the relationship of the company with its more than 175 NBFC-MFI & NBFC Partners. She is a commerce graduate who joined the company in 1996 as a junior executive and through her hard work, immaculate working and determination to excel, accompanied by enabling support from the management; rose to the level of Director of the Company in 2016.
Nature of his expertise in specific functional areas	Finance & Management – Operations
Terms and Conditions of Re-appointment	N.A.
Remuneration last drawn	₹ 1.08 Crore P.A.
Designation	Whole-time Director and CEO
Remuneration proposed to be paid	As per existing terms and conditions
Date of first appointment on the Board	September 23, 2016
Shareholding in the company	58,338 (0.036%) Equity Shares as on March 31, 2024
Relationship with other Directors/Manager and other Key Managerial Personnel of the Company	Not applicable
Number of Meetings of the Board attended during the year 2023-24	8 (Eight)
Names of listed entities in which the person also holds the Directorships	1 (i.e. MAS Financial Services Limited)
Names of listed entities in which the person also holds Membership of Committees of Board.*	Member in Audit Committee and Stakeholders Relationship Committee in MAS Financial Services Limited
Chairman / Directorship of other companies	1. MAS Rural Housing & Mortgage Finance Limited 2. MASfin Insurance Broking Private Limited 3. Prarthna Marketing Private Limited 4. Swalamb Mass Financial Services Ltd.
Names of companies along with listed entities in which person has resigned in the past three years.	Nil
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	She has experience in Financial Service sector, leadership capabilities, expertise in Risk Management and capabilities required for the role.
Justification for choosing the appointee for appointment as Director	Not applicable

*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee across all Listed Companies including this company.

Particulars	Appointment
Name of the Director	Mr. Dhvanil K. Gandhi
DIN	10562922
Date of birth	July 03, 1993
Age	31 years
Qualification	He holds Bachelor's degrees in Business Administration from Ahmedabad University and a Postgraduate from ISB (Indian School of Business) – Hyderabad. He has attended programs at Kellogg School of Management, Northwestern University- USA and IE Business School at Madrid, Spain. He also attended the summer training programme on Strategic Management at LSE-London School of Economics and a program on Cross-Cultural Communication & Management at NUS -National University of Singapore.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Dhvanil Gandhi is associated with the Company since April 2014 and over the last 10 years he has gained deep insights and hands-on expertise in all the departments and various aspects of the business of the Company. Over the last decade, he has been engaged in key roles alongside the core team of the company and has gained hands-on experience in various aspects of the business. He has to his credit having developed the SME lending vertical of the company through its branches across India. He is also actively involved in the insurance business of the company especially for the captive borrowers and the company has also applied for the insurance broking license under his leadership to cater to larger spectrum of the customers thereby being catalyst in increasing the much needed insurance penetration in the county. He is enthusiastic about staying informed and up to date on various technological innovations in the industry, actively engaging with the team to introduce them to the company. He regularly engages with domestic and international investors and appraises them on the various developments and future growth prospects of the company.
Nature of his expertise in specific functional areas	Finance & Management
Terms and Conditions of Re-appointment	Mr. Dhvanil Gandhi is appointed as the Whole Time Director in the meeting of the Board of Directors held on August 14, 2024 for a period of 5 years subject to approval of the members of the Company in the ensuing Annual General Meeting of the Company.
Remuneration last drawn	₹ 38,41,468 p.a.
Designation	Whole-time Director
Remuneration proposed to be paid	As per the resolution passed by the Board of Directors at their Meeting held on August 14, 2024 subject to approval of shareholders.
Date of first appointment on the Board	August 14, 2024
Shareholding in the company	1,05,831 (0.065%) Equity Shares as on March 31, 2024
Relationship with other Directors/Manager and other Key Managerial Personnel of the Company	He belongs to the promoter group and is Son of Mr. Kamlesh Gandhi – Promoter, Chairman & Managing Director of the Company.
Number of Meetings of the Board attended during the year 2023-24	Not applicable
Names of listed entities in which the person also holds the Directorships (excluding this Company)	Nil
Names of listed entities in which the person also holds Membership of Committees of Board.* (excluding this company)	Nil

Particulars	Appointment
Chairman / Directorship of other companies	Nil
Names of companies along with listed entities in which person has resigned in the past three years.	Not Applicable
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Besides demonstrating a strong succession plan for the Company, the induction of Mr. Dhvanil Gandhi will further strengthen the board. With already a decade of experience on his side along with the confidence and passion to take the company to the next level of growth in consistence to its philosophy of "Excellence through Endeavours" his induction will be a strong enabler for adding value to all its stake holders on a very large scale.
Justification for choosing the appointee for appointment as Whole-Time Director	As mentioned in the explanatory statement.

*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee across all Listed Companies including this company.

Regd. Office:
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

By order of the Board

Riddhi Bhayani
Company Secretary &
Chief Compliance Officer
(Mem. No. A41206)

Place : Ahmedabad
Date : August 14, 2024

Contact Details:	
Company	MAS Financial Services Limited 6, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009. CIN: L65910GJ1995PLC026064
Company Secretary & Chief Compliance Officer	Ms. Riddhi Bhaveshbhai Bhayani Email Id: riddhi_bhayani@mas.co.in
Registrar and Transfer	Link Intime India Private Limited C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083
e-Voting Agency	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone : 022- 22723333 / 8588
Scrutinizer	Mr. Ravi Kapoor, Proprietor of Ravi Kapoor & Associates Practicing Company Secretaries E-Mail id: ravi@ravics.com

Directors' Report

To,
The Members,
MAS FINANCIAL SERVICES LIMITED
Ahmedabad

Your Directors are pleased to present the **Twenty Ninth (29th)** Annual Report of your Company along with the Audited Standalone and Consolidated Accounts drawn for the financial year ended on March 31, 2024.

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

FINANCIAL RESULTS:

(Amount in ₹ Crore)

Particulars	Standalone		Consolidated	
	Year Ended on March 31, 2024	Year Ended on March 31, 2023	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Revenue from Operations	1217.15	936.85	1279.16	978.60
Other Income	7.42	3.00	6.52	2.43
Total Income	**1224.57**	**939.85**	**1285.68**	**981.03**
Total Expenditure	**893.15**	**675.15**	**946.01**	**709.38**
Profit Before Tax	331.42	264.70	339.67	271.65
Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	83.67	63.74	85.66	65.83
Net Profit	**247.75**	**200.96**	**254.01**	**205.82**
Profit Brought Forward	674.61	533.21	679.63	537.08
Net Profit after profit attributable to minority shareholders	0	0	(2.96)	(2.56)
Item of other comprehensive income recognised directly in retained earnings - on defined benefit plan	(0.39)	0.04	(0.38)	0.05
Effect of changes in the Group's interest	0	0	(2.28)	0
Profit Available for Appropriation	**921.97**	**734.21**	**928.02**	**740.39**
APPROPRIATIONS:				
Transfer to reserve u/s 45-IC of RBI Act, 1934	(49.55)	(40.19)	(49.55)	(40.19)
Transfer to reserve u/s 29-C of NHB Act, 1987	0	0	(1.21)	(1.16)
Final Dividend on equity shares	(10.11)	(9.57)	(10.11)	(9.57)
Interim Dividend on Equity Shares	(16.40)	(9.84)	(16.40)	(9.84)
Dividend distribution tax on Equity Shares	0	0	0	0
Surplus Balance carried to Balance Sheet	**845.91**	**674.61**	**850.75**	**679.63**

BUSINESS PERFORMANCE:

In terms of consolidated basis:

The Group's revenue from operations for the financial year was ₹ 1279.16 Crores, higher by 30.71% over the previous year's revenue from operations of ₹ 978.60 Crores. Net Profit (PAT) is ₹ 254.01 Crores which is higher by 23.41% over the previous year's PAT of ₹ 205.82 Crore. The Earnings per share is ₹ 15.31 (Previous years ₹ 12.39).

In terms of Standalone basis:

The Company's revenue from operations for the financial year was ₹ 1217.15 Crores, higher by 29.92% over the previous year's revenue from operations of ₹ 936.85 Crores. Net Profit (PAT) is ₹ 247.75 Crores which is higher by 23.28% over the previous year's PAT of ₹ 200.96 Crore. The Earnings per share is ₹ 15.11 (Previous years ₹ 12.25).

PROSPECTS AND DEVELOPMENTS:

India has emerged as one of the fastest growing economy in the world and it needs to continue this momentum and even accelerate further to reach a minimum threshold in terms of per capita income accompanied by large scale financial inclusion for a just and an equitable growth which is the development of the economy in its true sense.

The Company continues to recognize a vast market opportunity across all its product lines for efficient last mile credit delivery, particularly for NBFCs and other financial institutions seeking significant growth prospects. Our strategic approach involves a multi-product and multi-locational strategy, providing a distinct advantage in risk management and scalability. This allows us to cater effectively to a diverse customer base while minimizing risks and maximizing operational efficiency. The advent of digitization and the company's focus on the same will be a strong catalyst for not only better operational efficiencies but also high quality customer services.

Our primary focus centers on serving the lower and middle-income segments, which are key drivers of the economy. By tailoring our products and services to meet their unique needs, we contribute to their financial well-being and empower them to achieve their goals. This customer-centric focus not only supports individual growth but also strengthens the overall economic landscape.

With our deep understanding of market dynamics, commitment to innovation, focus on the quality of the assets and customer-centricity, we are well-positioned within the industry. Our dedicated team of professionals continually delivers exceptional value and fosters long-term relationships with our clients.

Considering the immense market potential and our strategic pursuits, we are confident about the future prospects of the Company. We actively explore new opportunities, forge strategic alliances, and adapt to evolving market conditions to ensure sustainable growth and profitability.

In conclusion, the Company is poised to leverage the significant market demand for efficient last mile credit delivery. Our multi-product and multi-locational approach, coupled with our unwavering focus on the lower and middle-income segments, strengthens our position within the industry. By capitalizing on these opportunities, we aim to drive growth, maximize value for stakeholders, and make a significant contribution to the broader economy.

SMALL AND MEDIUM ENTERPRISE LOAN:

They are very rightly reckoned as the key drivers of the economy given their substantial contribution in terms of employment generation, exports and the overall contribution to the GDP. The small and medium enterprises are in continuous need of funds to propel their growth. Currently there exists a huge credit gap creating opportunities on large scale to extend various types of financial facilities to the sector.

As expected working capital loans to the SME continue to show lot of promise. We are in the continuous process of understanding the segment and are keen to add value to all such small and medium enterprises by extending the most efficient financial services. The increase in the digital foot prints of such enterprises facilitates objective assessment of their working capital needs thereby increasing the possibilities of more credit flow to the sector. In consonance to our policy of building up quality assets, we are confident of creating quality assets in this segment too. The focus remains on states of operation namely Gujarat, Rajasthan, Madhya Pradesh, Maharashtra, Tamil Nadu, Karnataka, Telangana, Chhattisgarh, Punjab, Haryana, Delhi and Uttarakhand.

TWO WHEELER AND COMMERCIAL VEHICLE FINANCING:

According to a CRISIL report the outstanding credit in the overall vehicle financing segment is expected to grow at very healthy CAGR of 16% - 18% from fiscal 23-27 reaching the size of 21 Lakh crores and more.

We continue also to focus on Two-Wheeler and Commercial Vehicle financing and we'll be shortly introducing used car financing too. We'll pursue business models which generate required return on assets while maintaining the quality of portfolio. We are confident that as we spread to newer geographies within our distribution network, we will be achieving the desired objectives. With the expected growth of the economy we anticipate the vehicle financing segment to contribute increasingly in the overall AUM mix.

HOUSING FINANCE:

India's housing finance market is a flourishing sector brimming with potential for both lenders and borrowers. Valued at a staggering ₹ 30 trillion, the market is expected to surge at a robust 13% CAGR (FY23-26), fueled by rising incomes, improved affordability, and supportive government policies. Housing finance already reigns supreme within India's secured loan portfolio.

MAS Rural Housing & Mortgage Finance Limited ("MRHMFL" or "the Subsidiary") continues to serve the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. Full-fledged efforts are on to execute efficiently, as per the detail planning. Being aware of the challenges involved in serving this class of the society, a very cautious approach is adopted in building up volumes. Nevertheless, Company is quite confident of building substantial volumes in the near future. The Company's rural initiative will also start yielding results shortly.

The Company has 85 branches Pan India as on March 31, 2024. It is worth mentioning that despite of credit worthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all

the stakeholders to smoothen the process and is assertive in getting the right set of documents.

We persistently strive forward, driven by our unwavering commitment to creating a high-quality portfolio and adding substantial value to the ecosystem in which we operate. With confidence, we are dedicated to achieving these goals.

DISTRIBUTION NETWORK:

The Company has a strong retail presence & distribution network pan India. As on March 31, 2024 the Company had 189 branches in territories Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, Punjab, Haryana, Uttarakhand, Chhattisgarh, Telangana and Delhi NCR. During the year and pursuant to the expansion plans of the Company, the Company opened 2 branches in Gujarat, 1 branches in Maharashtra, 18 branches in Rajasthan, 9 branches in Madhya Pradesh, 3 branches in Karnataka, 3 in Tamil Nadu, 1 in Uttrakhand, 1 in Punjab, 1 in Haryana and 1 in Telangana. At the end of the year, the total branches were 189 and the Company served 12000+ Customer locations.

The Company will thrive to distribute all its financial products efficiently across its potential 12000+ customer locations, which provides huge opportunity of growth and serving the unserved. This vast penetration along with the dictum of "Extending credit where it is due" will create a sustainable, scalable and profitable business for the company in the near future.

PARTNERING WITH REGIONAL NBFCS AND NBFC-MFIS:

Over a decade of our working with this sector, our belief is further strengthened, that financial inclusion in a country like India is a function of efficient last mile delivery of credit, for which a very robust value chain has to be nurtured and developed. NBFCs in special play a pivotal role in this value chain. This business model withstood its credibility and our expectations even during the most trying period during the last year.

Partnering with regional NBFCs and NBFC-MFIs for distribution of various products and providing them the line of credit also remains one of the major business plans. We firmly believe that the players having proximity to the region are the most potential organization in the last mile delivery of credit. We not only fund them but also share with them the domain expertise, which the company possesses through its vintage of more than two decades. We continue to get encouraging response from our entire partner NBFCs and are keen to leverage the relationships for mutual benefits. Currently we have very strong relationships with more than 175 such organizations.

RESOURCES:

HUMAN RESOURCE MANAGEMENT AT MAS:

Human Resource Management plays a pivotal role in realizing the Company's objective. Company believes that employees are the driving force for business growth, branding, and customer satisfaction. The Company has established a robust Human Resources ('HR') system that nurtures a high performing, conducive and inclusive work culture. It is managed by the active involvement of the promoters along with strategic inputs from a well-diversified and competent board. It emphasizes on the freedom to express views, competitive pay structure, performance-based reward system and growth opportunities and internal job opportunities, critical assignments within the organisation for career options for the employees. Our Human Resource (HR) approach is central to our commitment to fostering a supportive, inclusive, and high-performance workplace. In alignment with our goals, our HR strategies are designed to attract, develop, and retain top talent, while ensuring compliance, enhancing employee engagement, and supporting our Company's growth.

In an ever-evolving landscape driven by technology and digital advancements, your Company remains steadfast in its commitment to long-term personnel development, aiming for organizational excellence. The Company consistently strives to provide avenues for professional growth and recognition, while also prioritizing employee training. The training programs are an essential component of the Company's comprehensive skill development initiatives tailored for its workforce. During the year, several initiatives, such as performance management systems, Learning & Development system and Talent Management system were put in place for efficient and effective organization.

The articulation and implementation of the strategies is carried on by the core team along with Team MAS. Core team at MAS is a group of dedicated and competent team of personnel, associated with the company almost since its inception and have always extended unstinting support besides, having identified and aligned their career objective with the company.

The Company has a diverse workforce of 3,130 employees as on March 31, 2024. Moving forward, the Company remains steadfast in its commitment to fostering and developing the most suitable talent in order to effectively accomplish its business objectives. It is worthy to note that out of the total workforce of MAS group 492 employees are with the organization for more than five years.

Attracting, enabling, promoting and retaining talent have been the keystone of Human Resource functions at MAS. We trust with all the above qualities accompanied by the determination to excel, this team forms a formidable second line of management at MAS.

In our relentless pursuit of nurturing an enabling human capital, your Company will continue to make concerted efforts to reinforce and fortify this invaluable resource.

The Company is certified as "Great place to Work" January, 2024 – January, 2025 by Great Place to Work - Global Authority on Workplace Culture.

CAPITAL AND LIABILITY MANAGEMENT:

We cannot help but acknowledge the humbling experience it has been. Throughout this period, we have received tremendous respect from investors and lenders across all categories, underscoring the trust they place in our Company. Guided by our steadfast philosophy of "Excellence through Endeavours" we remain resolute in our commitment to maximizing shareholders' value. This unwavering dedication will continue to propel us forward as we embark on new endeavours.

We are delighted to share that the Company could successfully raise the capital of ₹ 500 crores through QIP in June-24 from very marquee and diversed set of investors. The overwhelming response to the QIP is a testimony to the fact that the company's business model and performance is immensely respected. This capital raise alongwith the expected strong internal accruals will strengthen the capital base of the company for its future growth.

The Company continues to pursue an efficient capital management policy, which aims at maximizing the return on capital employed and at the same time adhering to the prudential guidelines laid down by RBI from time to time.

The Company by virtue of its performance over the years enjoys very good relationships with many leading banks and financial institutions. The Company could raise the required resources from various banks and financial institutions comfortably. We anticipate the same response from all our lending partners for the coming years too. The Company anticipates credit lines from few more banks and financial institutions besides the existing ones.

The confidence and respect of bankers towards your Company persist as we serve as their trusted partner in efficiently delivering credit solutions. We deeply appreciate the invaluable support and cooperation extended by investors and consortium member banks, which have played a constructive role in our operations.

CAPITAL ADEQUACY RATIO

As on March 31, 2024, the Company's Capital Adequacy Ratio (CAR), stood at 24.05% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off balance sheet items, which is well above the regulatory minimum of 15%, providing much needed headroom for fund raising for business operations of the Company.

ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013

In pursuance to the provisions of Section 92(3) of the Companies Act, 2013 read with Rules made thereunder and amended time to time, the Annual Return of the Company for the Financial Year ended on March 31, 2024 is available on the website of the company i.e. www.mas.co.in and the web link of the same is https://mas.co.in/annual-return.aspx.

BOARD MEETINGS HELD DURING THE YEAR:

The Company held Eight Board Meetings during the financial year under review.

Sr. No.	Date on which Board Meetings were held	Total Strength of the Board	No. of Directors Present
1	April 19, 2023	6	6
2	May 10, 2023	6	6
3	June 21, 2023	6	6
4	August 2, 2023	7	7
5	November 1, 2023	7	7
6	January 10, 2024	7	7
7	January 17, 2024	7	7
8	January 24, 2024	7	7

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability would like to state that:

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

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they had prepared annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;

f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were in place were adequate and operating effectively.

COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this

report. **"Annexure – A"**. The weblink for the same is https://mas.co.in/policy.aspx.

AUDITORS:

Statutory Auditors:

At the 26th Annual General Meeting of the Company held on August 25, 2021, the members had appointed M/s. Mukesh M. Shah & Co., Chartered Accountants (Firm Registration No. 106625W) as Statutory Auditors for a term of three years beginning from the conclusion of the 26th Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held for the FY 2023-2024, in compliance with the guidelines issued by the RBI for appointment of Statutory Auditors dated April 27, 2021.

Further, tenure of the existing auditors will expire upon the conclusion of the ensuing 29th Annual General Meeting of the Company and the said auditors shall not be eligible for re-appointment after the completion of tenure of 3 years in the same Company, pursuant to the guidelines issued by RBI.

Therefore, in compliance with the RBI guidelines and based on the recommendation of the Audit Committee, the Board of Directors in their Meeting held on Wednesday, July 24, 2024 had appointed M/s. Sorab S. Engineer & Co., Chartered Accountants (Firm's Registration No: 110417W), as the Statutory Auditors of the Company with effect from the board meeting wherein the results / limited review report for the quarter ended June 30, 2024 are adopted/approved subject to the approval of members. The Company is confident of benefitting from the indulgence of very senior engagement partners based at Ahmedabad. The resolution for their appointment has been mentioned in the Notice convening the 29th Annual General Meeting.

Secretarial Auditors:

In the Board Meeting held on May 10, 2023, M/s. Ravi Kapoor & Associates, Practising Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2023-24.

SECRETARIAL AUDIT REPORT:

In pursuance to the provisions of Section 204 of the Companies Act, 2013 read with Rules framed thereunder and in compliance of Regulation 24A of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") M/s. Ravi Kapoor and Associates, Practising Company Secretaries, had conducted secretarial audit of the Company for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024, is annexed which is forming part to this report as **"Annexure – B"**.

During the year under review, your Company has complied with the provision of applicable Acts, Rules, Regulations, Guidelines and applicable Secretarial Standards issued by the Institute of Company Secretaries of India, etc. except in respect of the matters as mentioned below.

EXPLANATIONS OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

(i) By the Statutory Auditors in his report;

There is no qualification, reservation or adverse remark raised by Statutory Auditor in Auditor's report for the year under review.

(ii) By the Company Secretary in Practice in his Secretarial Audit Report;

In response observation made in the Secretarial Audit Report for the financial year 2023-24 by the Secretarial Auditors, your Company hereby submits that-

- The Reserve Bank of India (RBI) has imposed penalty of ₹ 5000/- for non updation of CIBIL records within due timelines.

  Company's Response:

  The Credit record of the Customer was updated by the Company on October 26, 2023. However, due to error in the data processed by the Credit Bureau, the said records were not updated within due timelines. This delay has led the customer to file a complaint with the RBI ombudsman. The RBI has instructed the Company to compensate the customer with ₹ 5,000/-. The Company paid the compensation to the Customer.

- The fine of ₹ 10,000/- + GST imposed by BSE Limited in the violation of Regulation 42(2)/42(3)/42(4)/42(5) non-compliance with ensuring the prescribed time gap between two record dates/ book closure dates.

  Company's Response:

  The Company had set 2 record dates for the declaration of Interim Dividend and for declaration of Bonus shares in accordance with all applicable acts. However, on Monday, January 22, 2024 owing to the consecration of the Ram Mandir in Ayodhya the Company had received email from BSE & NSE to change the record date & confirmed to the company that this will not amount to any violation. In spite, the email confirmation the Company had received email from BSE Ltd. on March 15, 2024 the violation under regulation 42. The Company had made necessary application the same is under process and is due to be considered in ensuing waiver committee meeting.

- The fine of ₹ 10,000/- + GST imposed by BSE Limited in the violation of Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015) - Delay in submission of the notice of Record Date.

Company's Response:

The Company had issued the Debt Securities under the ISIN INE348L08108 in 2 tranches towards which the listing approval for the later tranche was received on December 21, 2023. The first interest payment due date of Tranche 1 + Tranche 2 was December 31, 2023 which was however paid on January 1, 2024 (December 31, 2023 being Sunday) and record date for the same was December 24, 2023 as mentioned in term sheet, placement memorandum and other relevant documents submitted for the listing wherein we were of the opinion that the required information is to be submitted post listing approval of both the tranches under same ISIN as the interest amount payable was on the cumulative amount issued under both tranches. We have informed the exchange immediately after receiving listing approval on December 21, 2023 under Regulation 60. Further, we have shared email on Mon 01/01/2024 07:24 PM for clarifying the amount mentioned for both the tranches. The Company had made necessary application for the waiver; the same is under process and is due to be considered in ensuing waiver committee meeting.

FRAUDS REPORTED BY THE AUDITOR

During the year under review, no frauds have been reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee / Board, under Section 143(12) of the Companies Act, 2013.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Company has received declarations from Mr. Bala Bhaskaran, Mr. Chetan Shah, Mr. Umesh Shah, Mrs. Daksha Shah and Mr. Narayanan Sadanandan, Independent Directors of the Company that they meet with the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 read with Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 16 & 25 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

All Independent Directors of your Company are registered with Indian Institute of Corporate Affairs as per the requirement of Section 149 of the Companies Act, 2013 and rules framed thereunder.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, paid to them for the purpose of attending meetings of the Board / Committee of the Company.

MATTERS AS PRESCRIBED UNDER SUB-SECTIONS (1) AND (3) OF SECTION 178 OF THE COMPANIES ACT, 2013:

The Company constituted its Nomination Committee on December 23, 2010 and the nomenclature of the Nomination committee was changed to "Nomination and Remuneration Committee" on March 20, 2015 pursuant to Section 178 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, by way of resolution passed in accordance with, provisions of the Companies Act, 2013. The Nomination & Remuneration Committee consists of three Independent Directors. The powers and function of the Nomination and Remuneration Committee is stated in the Nomination and Remuneration Committee Charter of MAS Financial Services Limited. The Remuneration policy is available at the Web link https://www.mas.co.in/policy.aspx

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As the Company being a NBFC registered with RBI the restrictions contained in the said provisions are not applicable to the Company.

During the year under review the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company refer to Note No. 9 of the financial statements.

PARTICULARS CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188:

All Contracts / Arrangements / Transactions executed by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. The Audit Committee reviews all Related Party Transaction on quarterly basis. Particulars of such related party transactions described in Form AOC-2 as required under Section 134 (3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, which is annexed herewith as **"Annexure - C"**.

The related party disclosures as specified under Para A of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 is forming part in Notes to Financial Statements.

The board has approved a policy for related party transactions which has been hosted on the website of the Company. The web-link for the same is https://www.mas.co.in/policy.aspx. The related party transactions, wherever necessary are carried out by company as per this policy. There were no materially significant related party transactions entered into by the company during the year, which may have potential conflict with the interest of the company at large. There were no pecuniary relationship or transactions entered into by

any Independent Directors with the company during the year under review.

AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES:

During the year under review ₹ 49.55 crore were transferred to statutory reserve under Section 45 IC of RBI Act, 1934.

DIVIDEND:

The Company had paid an Interim Dividend of ₹ 3/- (Rupees Three only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (30%) aggregating to ₹ 16,39,86,129/- (Rupees Sixteen Crore Thirty Nine Lakh Eighty Six Thousand One Hundred Twenty Nine), during the financial year 2023-24. The same was declared by Board of Directors in their meeting held on January 10, 2024. The said dividend was paid on January 31, 2024.

Your Directors are pleased to recommend a Final Dividend of ₹ 0.51/- (Rupees Zero decimal Five One Paise Only) per Equity Share on 18,14,53,377 Equity Shares of ₹ 10/- fully paid up (5.10%) aggregating to ₹ 9,25,41,222.27/- (Rupees Nine Crore Twenty Five Lakh Forty One Thousand Two Hundred Twenty Two and Two Seven Paisa Only) for the Financial year 2023-24, subject to the approval of members in the ensuing Annual General Meeting of the Company. The payment of Final Dividend shall be paid to those members whose names appears in the Register of Members of the Company or in the records of depositories as beneficial owners of Equity Shares as on Wednesday, September 04, 2024 being the record date fixed by the Board to identify the shareholders to whom final dividend to be paid by the Company for the financial year 2023-24. The payment of final dividend will be subject to deduction of tax at source as per the applicable rate.

The dividend recommended is in accordance with the criteria as set out in the Dividend Distribution Policy which has been approved by the Board of Directors. Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy is forming part to the report as **"Annexure - D"**. The weblink for the same is https://www.mas.co.in/policy.aspx.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the directors report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- **Conservation of Energy and Technology Absorption:**

  Since the Company is operating in service sector, the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy and Technology Absorption are not applicable.

- **Foreign Exchange earnings and outgo**

  The Company has no Foreign Exchange earnings and outgo.

RISK MANAGEMENT

Financing activity is the business of management of risks, which in turn is the function of the appropriate credit models and the robust systems and operations. Your Company continues to focus on the above two maxims, and is always eager to improve upon the same.

Your Company continues to give prime importance to the function of receivables management, as it considers this the ultimate reflection of the correctness of marketing strategy as well as appraisal techniques. The Net stage 3 of the Company is 1.51% of Asset under Management as on March 31, 2024.

Pursuant to Regulation 21(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the regulations of Risk management committee is applicable to top 1000 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year. The Board of Directors has thus adopted a risk management policy for the Company which provides identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy. The web-link for the same is https://mas.co.in/policy.aspx

The Company has in place a Risk Management Policy and introduced several measures to strengthen the internal controls systems and processes to drive a common integrated view of risks, optimal and mitigation responses. This integration is enabled through a dedicated team and Risk Management, Internal Control and Internal Audit systems and processes.

Corporate Social Responsibility (CSR):

Our commitment to Corporate Social Responsibility (CSR) reflects our dedication to creating a positive impact on society and the environment. This year, we have continued to enhance our CSR efforts, focusing on key areas that align with our values and support our community, environmental sustainability, and ethical practices.

Your Company remains steadfast in its commitment to responsibly address the evolving needs of the communities in which it operates, recognizing the importance of giving back to society proportionate to its business success. Throughout the year, your Company has diligently pursued various initiatives in alignment with its CSR policy, focusing on the areas of Health, Welfare, and Education, thereby contributing to the betterment of society at large.

As a responsible corporate entity, we believe in leveraging our resources to support the community, particularly during challenging times. We have actively engaged with communities through various programs and initiatives:

"MAS Arogya Abhiyan" by providing vital medical support to underprivileged and needy populations, demonstrating our dedication to health and humanitarian care.

"MAS Shiksha Protsahan" believing in the power of education and support to transform lives, especially for children in underprivileged communities.

The Company has also facilitated the family of martyrs in the event of the Independence Day. Further, the Company installed Ultra Sound Machines at the Indian Army - Military Hospital, Ahmedabad.

As part of its robust Corporate Social Responsibility (CSR) initiatives, your Company recognized the challenges faced by a significant section of the population across the country in meeting their basic food requirements. In response, the Company took proactive measures by organizing a food distribution drive in Gujarat, wherein raw food packets comprising essential grocery items were provided to villages in need. This CSR endeavor was specifically designed to alleviate the hardships faced by vulnerable individuals and extend support to those tirelessly working on the ground with limited resources. By addressing the pressing issue of food scarcity, the Company demonstrated its commitment to social welfare and contributed to the well-being of communities in need. We recognize the importance of supporting not only people but also animals that play a vital role in agricultural communities. This year, our CSR initiative has focused on providing essential food supplies to cows and cattle, ensuring their well-being and supporting local farmers who rely on these animals for their livelihood.

Education is widely regarded as a stepping stone for enhancing the quality of life, particularly for underprivileged individuals. Recognizing this, the Company has identified bright students who aspire to pursue higher studies but face financial constraints. We have extended financial support to help them achieve their dreams. In our commitment to societal development, addressing the root causes and striving for 100% literacy rate, the Company actively invests in the education of these students. Apart from sponsoring their fees, we provide school bags, stationery, uniforms, sweaters, school shoes, and other necessary provisions, relieving parents and students from the burden of additional costs and enabling them to concentrate on their studies. The Company's management team proactively engages with schools located on the outskirts of Ahmedabad and Gandhinagar to assess the infrastructure provided to students and explore opportunities for further support. Many schools were found to lack basic amenities such as fans, lights, and tables, while students were exposed to scorching heat while having meals provided by the government. Consequently, infrastructure-related projects were prioritized, with the Company stepping in to provide essential facilities like fans, lights, benches, computers, construction of play area including swings and most importantly, constructing sheds to shield students from heat-related illnesses. The "MAS Shiksha Protsahan" initiative embodies the ideology of transforming lives through the continuous generation of knowledge and empowerment. Accordingly, the Company has allocated funds in accordance with its policy and prescribed CSR guidelines.

Menstrual hygiene in rural areas is a significant issue that affects the well-being and empowerment of women and girls. Menstrual hygiene is of paramount importance in rural areas, where access to resource like sanitation facilities, clean water, and affordable menstrual products is limited or absent. This lack of resources and infrastructure poses numerous challenges and can have negative consequences for women and girls during their menstrual cycles. In order to address this problem, the Company has distributed sanitary napkins to females in nearby villages, ensuring their well-being and promoting proper hygiene practices. The Company also conducted workshops and awareness sessions on menstrual hygiene management, aiming to educate women and girls about proper menstrual care and health practices.

Looking ahead, your Company is committed to increasing its CSR impact and expenditure in the coming years, with a continued focus on rural development, health promotion, and sanitation. In line with this commitment, the Company has identified various long-term projects aimed at promoting education, sanitation, health, and welfare, striving to enhance overall well-being and elevate the quality of life for all.

The CSR Report for the Financial Year 2023-2024 is annexed to this report as **"Annexure-E"**. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: https://www.mas.co.in/policy.aspx.

FORMAL ANNUAL EVALUATION OF THE PERFORMACE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of its Committees. The evaluation was carried on the basis of structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, level of engagement and participation, Board culture, execution and performance of specific duties, obligations and governance. The Board has expressed their satisfaction with the evaluation process.

In pursuant to Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 the evaluation of Independent Directors were done by the entire board of directors which includes –

(a) Performance of the directors; and

(b) Fulfillment of the independence criteria as specified in the regulations and their independence from the management.

Criteria adopted for evaluation:

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct. Further, in a separate meeting of Independent Directors, performance of non-independent directors, the Board as whole and the Chairman of the Company was evaluated.

(i) Performance review of all the Non-Independent Directors of the company on the basis of the activities undertaken by them, expectation of board and level of participation;

(ii) Performance review of the Chairman of the Company in terms of level of competence of chairman in steering the company;

(iii) The review and assessment of the flow of information by the Company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;

(iv) The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;

(v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the period under the review, the Company has 2 (two) subsidiary companies i.e. MAS Rural Housing and Mortgage Finance Limited and MASFIN Insurance Broking Private Limited. Pursuant to the provision of Section 129(3) of the Companies Act, 2013, the performance and financial position of Subsidiaries, Associates and Joint Venture Companies are described in Form AOC-1 which is annexed herewith as **"Annexure - F"**.

Further the Company does not have any Joint Venture or Associate Company during the period under the review.

The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at https://mas.co.in/policy.aspx

PARTICULARS OF EMPLOYEES:

The information required under section on 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned as per **"Annexure – G"**.

THE CHANGE IN NATURE OF BUSINESS:

The Company continues to carry out the same activities and during the period under review there is no change in the nature of business.

DISCLOSURE ABOUT RECEIPT OF ANY COMMISSION BY THE MANAGING DIRECTOR / WHOLE-TIME DIRECTOR FROM A COMPANY:

The Company has not paid any commission to the Managing Director / Whole-Time Director against any services during the period under review.

PUBLIC DEPOSITS:

The Company is Non - deposit taking Non-Banking Financial Company registered with Reserve Bank of India and is prohibited from accepting public deposits and therefore the Company has not accepted any deposits from public during the year under review and there was no public deposit outstanding as on March 31, 2024.

CAPITAL STRUCTURE:

1. **AUTHORISED SHARE CAPITAL:**

   The Authorised Share Capital as on March 31, 2024 was ₹ 200,00,00,000-/ (Rupees Two Hundred Crores only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of ₹ 10/-(Rupees Ten Only) each.

   During the year, the Authorised share capital of the Company has been increased from ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000/ (Eleven Crores and Twenty Lakh) Equity Shares of ₹ 10/ (Rupees Ten Only) each to ₹ 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000/- (Twenty Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

   During the year, the existing Authorized Share Capital of the Company comprising of ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 6,40,00,000/- (Six Crores and Forty Lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each, 400 (Four Hundred) - 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000/- (Rupees One Lakh Only) each, 2,20,00,000 (Two Crore Twenty Lakh) 0.01% Compulsorily Convertible Cumulative Preference Shares

of ₹ 10/- (Rupees Ten Only) each and 2,20,00,000 (Two Crore Twenty Lakh) - 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10/- (Rupees Ten Only) each was reclassified into ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000/- (Eleven Crores and Twenty Lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

2. **PAID UP SHARE CAPITAL:**

The Paid Up Share Capital of the Company as on March 31, 2024 was ₹ 1,63,98,61,290/- (Rupees One Hundred and Sixty Three Crores Ninety Eight Lakh Sixty One Thousand Two Hundred and Ninety only) divided into 16,39,86,129 (Sixteen Crore Thirty Nine Lakh Eighty Six Thousand One Hundred and Twenty Nine) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

During the year, the Company had issued and allotted 10,93,24,086 (Ten Crore Ninety Three Lakh Twenty Four Thousand and Eighty Six) fully paid up Equity Shares of ₹ 10/- each as Bonus Equity Shares in the ratio of 2:1 on February 24, 2024 and hence the paid up equity capital increased from 5,46,62,043 Equity Shares of ₹ 10/- each to 16,39,86,129 Equity Shares of ₹ 10/- each.

DEBENTURES:

During the year under review there was no change in the following Non-Convertible Debentures ("NCDs") of the Company.

1. 50 (Fifty) unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 1,00,00,000 (Indian Rupees One Crore) aggregating to ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue") bearing ISIN **INE348L08041** at the rate of 10.75% (Ten decimal seven five Percentage) p.a. were issued on October 20, 2021.

2. 500 (five hundred) unlisted, subordinated, unsecured, redeemable, non-convertible debentures, having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) bearing ISIN **INE348L08058** at the rate of 10.75% (Ten decimal seven five Percentage) p.a. were issued on December 29, 2021.

3. 500 (Five Hundred) rated, listed, redeemable, senior, secured, non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures") bearing ISIN **INE348L07126** at the rate of 8.93% (Eight Decimal nine three percentage)p.a. were issued on June 22, 2022.

4. 250 (Two Hundred and Fifty) unlisted, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 25,00,00,000 (Indian Rupees Twenty Five Crore) ("Debentures") bearing ISIN **INE348L08066** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on September 29, 2022.

5. 1000 (One Thousand) rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 100,00,00,000 (Indian Rupees Hundred Crore) ("Debentures") bearing ISIN **INE348L07142** at the rate of (a)8.90% (eight decimal nine zero percent) (XIRR), if the Yield is lesser than or equal to 18% (eighteen percent); (b) 8.80% (eight decimal eight zero percent) (XIRR), if the Yield is lesser than or equal to 24% (twenty four percent) but greater than 18% (eighteen percent); and/or (c) 0% (zero percent) (XIRR), if the Yield is greater than 24% (twenty four percent) were issued on December 01, 2022.

6. 3500 (Thirty Five Hundred) unlisted, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) and an aggregate face value of ₹ 35,00,00,000 (Indian Rupees Thirty Fifty Crore) ("Debentures") bearing ISIN **INE348L08074** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on December 21, 2022.

7. 5000 (Five Thousand) listed, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures") bearing ISIN **INE348L08082** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on March 10, 2023.

8. 5000 (Five Thousand) listed, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures") bearing ISIN **INE348L08090** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on March 27, 2023.

Over the course of the reviewed timeframe, the following Non-Convertible Debenture of the Company was redeemed:

1. 1000 (One Thousand) Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("NCD") of face value of ₹ 10,00,000 (Indian Rupees Ten Lakh only) each

aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crore only) bearing ISIN **INE348L07092** at the rate of 8.50% p.a.

2. 1000 (one thousand) rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures ("NCD") of face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) each aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crore) bearing ISIN **INE348L07118** at the rate of 8.60% p.a.

3. 10000 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("NCDs") of face value of ₹ 1,00,000/- (Rupees One Lakh Only) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crores) bearing ISIN **INE348L07084** at the rate of 8.50% p.a.

4. 1000 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("NCD") of face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crore) bearing ISIN **INE348L07100** at the rate of 8.50% p.a.

5. 1000 (One Thousand) rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures ("NCD") of face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) each aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crore) ("Debentures") bearing ISIN **INE348L07134** at the rate of 8.60% p.a.

During the period under the review, the following Non-Convertible Debenture of the Company was issued:

1. 10,000 (Ten Thousand) secured, listed, rated, unsubordinated, redeemable, transferable, non-convertible debentures having a face value of ₹ 1,00,000/- (Indian Rupees One Lakh only) each, for cash, aggregating up to ₹ 100,00,00,000/- (Indian Rupees One Hundred Crores Only) bearing ISIN **INE348L07159** at the rate of Aggregate sum of (a) Benchmark Rate; plus (b) the applicable Spread) (Currently the rate is 9.75% (nine point seven five percent) payable on a quarterly basis) were issued on September 28, 2023.

2. 2500 (Two-thousand Five Hundred) rated, listed, subordinated, unsecured, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("₹"), having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of ₹ 25,00,00,000 (Indian Rupees Twenty-Five Crore) bearing ISIN **INE348L08108** at the rate of 10.75% (ten decimal seven five percent) p.a. were issued on December 8, 2023 (Tranche-1).

3. 2500 (Two-thousand Five Hundred) rated, listed, subordinated, unsecured, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("₹"), having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of ₹ 25,00,00,000 (Indian Rupees Twenty-Five Crore) bearing ISIN **INE348L08108** at the rate of 10.75% (ten decimal seven five percent) p.a. were issued on December 21, 2023 (Tranche-2).

4. 10,000 (Ten thousand) rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("₹"), having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) each and an aggregate face value of ₹ 100,00,00,000 (Indian Rupees Hundered Crore) including a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crore) bearing ISIN **INE348L07167** at the rate of 8.60% (eight decimal six zero percent) p.a. were issued on January 16, 2024.

5. 12,500 (Twelve Thousand and Five Hundred) senior, secured, listed, rated, taxable, redeemable, transferable, non-convertible debentures having a face value of ₹ 1,00,000/- (Indian Rupees One Lakh only) each and aggregate face value up to ₹ 125,00,00,000/- (Indian Rupees One Hundred and Twenty-Five Crores Only) bearing ISIN **INE348L07175** at the rate of 9.75% (initial) (nine decimal seven five percent) p.a. were issued on February 21, 2024.

6. 20,000 (Twenty thousand) rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees ("₹"), each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) and an aggregate face value of ₹ 200,00,00,000 (Indian Rupees Two Hundred Crore) bearing ISIN **INE348L07183** at the rate of 9.95% (nine decimal nine five percent) p.a. were issued on March 21, 2024.

STATUTORY COMPLIANCE:

The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013. The Company has also complied with the directions issued by RBI regarding Capital Adequacy norms.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

MATERIAL ORDER PASSED BY REGULATORS / COURTS / TRIBUNALS:

There was no material order passed by Regulators / Courts / Tribunals during the year under review impacting the going concern status and company's operations in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

Internal Financial Control remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process to adopt best practices. In pursuance to provisions of Section 134(5)(e) of the Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 your Company has in place adequate internal controls with reference to financial statements and are operating effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business. The Board has appointed Ms. Deepika Agarwal as the Head of internal auditor and M/s. VSSB & Associates, Chartered Accountants as a Third party Internal Auditor of the Company pursuant to provisions of Section 138 of the Companies Act, 2013 in order to ensure proper internal financial control.

INSURANCE:

The assets of your Company have been adequately insured. Further, company has taken D&O Insurance for Directors & KMP.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Appointments & Cessation/Retirement

Appointment of Mr. Narayanan Sadanandan (DIN: 07263104) as an Independent Director

On recommendation of Nomination and Remuneration Committee, the Board has appointed Mr. Narayanan Sadanandan (DIN: 07263104) as an Independent Director of the Company for a period of five consecutive years effective from June 21, 2023. The same has been approved by the members vide special resolution passed at their meeting held on July 26, 2023.

Re-appointment of Mr. Kamlesh C. Gandhi (DIN: 00044852) as the Managing Director of the Company.

On recommendation of Nomination and Remuneration Committee, the Board has re-appointed Mr. Kamlesh C. Gandhi (DIN: 00044852) as the Managing Director of the Company for a period of five years effective from April 01, 2024 due to expiry of his earlier term on March 31, 2024. The same has been approved by the members vide special resolution passed at their meeting held on July 26, 2023.

Re-appointment of Ms. Darshana Pandya (DIN: 07610402) as the Whole-time Director of the Company.

On recommendation of Nomination and Remuneration Committee, the Board had re-appointed Mr. Darshana S. Pandya (DIN: 07610402) as the Whole-time Director of the Company for a period of five years effective from July 31, 2024 upon expiry of her existing term on June 30, 2024. The same has been approved by the members vide special resolution passed at their meeting held on February 09, 2024.

Retirement of Mr. Bala Bhaskaran (DIN: 00393346) and Mr. Chetan Shah (DIN: 02213542) as the Independent Directors of the Company.

On account of completion of second term of five consecutive years as terms of appointment, Mr. Bala Bhaskaran (DIN: 00393346) and Mr. Chetan Shah (DIN: 02213542) ceased to be Non-Executive Independent Directors of the Company with effect from close of business hours on March 31, 2024. The Board places on record its sincere appreciation for the valuable contribution made by them during their long tenure as Independent Directors on the Board of the Company.

A. Directors liable to retire by rotation

Pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) Mrs. Darshana Pandya (DIN: 07610402) Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible to offers herself for reappointment.

The Board of Directors in its meeting held on April 24, 2024 on the recommendations of the Nomination and Remuneration Committee (NRC), further recommends to the members of the Company for re-appointment of Mrs. Darshana Pandya (DIN: 07610402), as the Director of the Company.

Necessary resolution for the appointment of the aforesaid directors and their detailed profiles have been included in the notice convening the 29th AGM and details of the proposal for appointment are mentioned in the explanatory statement of the notice.

Your directors recommend her appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 & 165 of the Companies Act, 2013. Mr. Ravi Kapoor of M/s. Ravi Kapoor & Associates has issued a certificate as required under the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, confirming that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect has been enclosed with this report.

B. KMPs

During the period under the review, there are no changes in the KMPs of the Company.

Ratio of remuneration of each director to the calculation of median employee's remuneration and other prescribed details

Details of managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as per **"Annexure - G"** to this report.

REPORTS ON MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE:

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Management Discussion and Analysis Report and Corporate Governance Report are forming part to this Report annexed as **"Annexure – H"** and **"Annexure – I"**.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company is committed for creating and maintaining a secure work environment where its employees can work in an atmosphere free of harassment, exploitation and intimidation. To foster a positive workplace environment, free from harassment of any nature to empower women and protect them against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

We have also constituted a Special Complaints Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no incidences of sexual harassment reported.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Audit Committee consists of the following members as on March 31, 2024:

1.	Mr. Chetan Shah (Independent Director)	Chairman
2.	Mrs. Darshana Pandya (Whole-time Director & CEO)	Member
3.	Mr. Bala Bhaskaran (Independent Director)	Member
4.	Mr. Umesh Shah (Independent Director)	Member

Ms. Riddhi Bhaveshbhai Bhayani, Company Secretary & Chief Compliance Officer acts as the Secretary to the Audit Committee.

However, due to tenure completion of Mr. Bala Bhaskaran and Mr. Chetan Shah, Independent Directors of the Company with effect from close of business hours on March 31, 2024, the Board of Directors in their meeting held on January 24, 2024 has re-constituted the Audit Committee as follows effective from April 1, 2024:

Sr. No.	Name	Designation	Chairman/ Member
1	Mr. Umesh Shah	Independent Director	Chairman
2	Mrs. Darshana Pandya	Whole-time Director & CEO	Member
3	Mrs. Daksha Shah	Independent Director	Member
4	Mr. Narayanan Sadanandan	Independent Director	Member

The composition and scope of Audit committee inter alia meets with the requirement of Section 177 of the Companies Act, 2013 and in accordance with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No. of Meetings of Audit Committee held during the year: 5

Sr. No.	Date on which Audit Committee Meetings were held	Total Strength of the Committee	No. of Members Present
1.	May 09, 2023	4	4
2.	August 01, 2023	4	4
3.	October 31, 2023	4	4
4.	January 23, 2024	4	4
5.	March 27, 2024	4	3

In Compliance with the provisions of Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has established a vigil mechanism and overseas through the Committee, the genuine concerns about unethical behavior expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The board has approved a policy for vigil mechanism which has been hosted on the website of the Company. The web-link for the same is https://www.mas.co.in/policy.aspx.

DISCLOSURES PURSUANT TO RBI MASTER DIRECTION:

The disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, is annexed herewith as **"Annexure - J"**.

Further, since the Company is a listed Non-Deposit taking Non- Banking Financial Company registered with the Reserve Bank of India (RBI), the Company has provided the required disclosures in its Corporate Governance Report in terms of para C of Schedule V of SEBI (LODR) Regulations, 2015 as applicable to the Company in **"Annexure-I"** which forms part of this annual report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

A Business Responsibility and Sustainability Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, is enclosed as part of this report, vide **"Annexure - K"**.

CREDIT RATING:

We are pleased to announce that CARE Ratings Limited ('CARE') has upgraded Company's Long Term Bank Facilities and Non-Convertible Debentures rating to 'CARE AA- (Outlook: Stable) from the previous rating of 'CARE A+ (Outlook: Positive)'.

This rating upgrade reaffirms the high reputation and trust that the Company has earned for its sound financial management and its ability to meet financial obligations.

During the year, the rating agencies reaffirmed/issued/ upgraded ratings of various facilities to the Company, as under:

Sr. No.	Type of Instrument	Rating
1	Long Term Bank Facilities	ACUITE AA-; Stable
2	Commercial Papers	ACUITE A1+
3	Long Term Bank Facilities	CARE AA-; Stable
4	Commercial Papers issue	CARE A1+
5	Non Convertible Debentures	CARE AA-; Stable
6	Market Linked Debentures	CARE PP-MLD AA-; Stable
7	Subordinated Bond	CARE AA-; Stable

DISCLOSURE FOR MAINTENANCE OF COST RECORDS:

The provision of Application of Cost Record in Compliance of Companies (Accounts) Rules, 2014 & in respect of section 148(1) of the Companies Act, 2013 is not applicable to the Company.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:

During the year under review, the Company has not made any application before the National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 for recovery of outstanding loans against customer and there is no pending proceeding against the Company under Insolvency and Bankruptcy Code, 2016.

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 DURING THE FINANCIAL YEAR:

It is Not Applicable to the Company, during the financial year.

ACKNOWLEDGEMENT

The Board of Directors wishes to express their heartfelt gratitude to the Reserve Bank of India and other regulatory authorities for their invaluable guidance and cooperation. Their support has been instrumental in enabling the Company to operate effectively within the regulatory framework. The Board also extends its sincere appreciation to all individuals who have placed their trust in the Company and its management. It is with deep gratitude that we acknowledge the loyalty and confidence of over one million customers across all the areas where we operate, as they have provided us with the opportunity to serve them.

Collaborating with various NBFC-MFIs, NBFCs, and HFCs has been an inspiring experience, serving as a catalyst for their sustainability and growth. The Company looks forward to fostering even stronger synergies in the future, continuing to build mutually beneficial partnerships.

The entire MAS Team deserves recognition for their unwavering commitment and relentless pursuit of excellence. The core team at MAS plays a pivotal role in formulating and executing strategic decisions, contributing significantly to the Company's development. We take this moment to express our heartfelt appreciation for their continuous support, hard work, and unwavering dedication. Their contributions have been integral to the Company's success.

We trust this journey will continue to be a pleasant one with their support, aware of the fact that we have "Miles to go.... with the confidence that "Together We Can and We Will....."

Best Wishes,

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana Pandya
Director & CEO
(DIN: 07610402)

Place : Ahmedabad
Date : August 14, 2024

Annexure- A

REMUNERATION POLICY

The policy is prepared in accordance with the provisions of Section 178(3) of the Companies Act, 2013 ('Act') and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration being paid to Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

1. REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Company pays sitting fees of Rs. 50,000/- per Board meeting and Rs. 25,000/- per Committee meeting attended by Non Executive Directors in line with the provisions of Act. Apart from sitting fees, Company is not paying any amount to Non Executive Directors.

2. REMUNERATION OF EXECUTIVE DIRECTOR

The payment of managerial remuneration to Executive Directors, Key Managerial Personnel and Senior Management Team will be reviewed and recommended by Nomination and Remuneration Committee which will be approved by Board of Directors and/or shareholders as per applicable provisions of Companies Act, 2013 and Listing Regulations. Further remuneration of Other Employees shall be decided/ recommended and approved by the management/ Executive Directors based on company's HR Policy.

Further following point's needs to be considered while making payment of remuneration to Directors, Key Managerial Personnel and Senior Management:

- The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the structure is clear and meets appropriate performance benchmarks.
- The Remuneration involve a good balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.
- The remuneration will be in correlation of company's HR Policy.
- No directors or Key Managerial Personnel should be directly involved in determining their own remuneration or their performance evaluation.
- The 'fit and proper'status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
- That the compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
- The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.

- An Independent Director shall not be entitled to any stock option including long term incentive in the form of RSUs of the Company.

3. CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

Pursuant to provisions of section 178(3) of the Act read with Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualification, positive attributes and independence of a Director and senior management and for appointment of independent director the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

Qualification: -

He/ she should be qualified and eligible as per the provisions prescribed under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and should possess appropriate skills, experience, expertise and knowledge.

Criteria for appointing a Director: -

- He should be knowledgeable and diligent in updating his knowledge and should possess adequate qualification, skills, experience and expertise by which the Company can benefit and should be person of integrity, with high ethical standards.

- Independent Director, in addition to above should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- In addition to above Executive Directors should possess quality like leadership, vision, ability to steer the organization even in adverse condition, innovative thinking and team mentoring.

In case of Re-appointment following additional criteria shall be considered:

- **Executive Directors:** The committee will evaluate the performance during his/her tenure as Director of the Company as well performance of the Company including all such other factors as required under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws as amended from time to time to be considered for re-appointment of director.

- **Non-executive Directors (including Independent Directors):** The committee will evaluate the performance during his/her tenure as Director in the Company, attendance and participation in the meetings and contribution to the activities of the Board and including all such other factors as per Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other applicable laws as amended from time to time to be considered for re-appointment of director.

Criteria for appointing a Senior Management Employee/ Key Managerial Personnel:

- He should possess adequate educational qualification from recognized institution.

- He should have integrity, hardworking, positive thinking and other skills as required for suitable position.

- Detailed background information will be cross checked from reliable sources.

- Criteria under Company's HR Policy will be followed.

Annexure- B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
The Members
MAS **Financial Services Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MAS Financial Services Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have verified the soft copies of records maintained by the Company. Based on our online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MAS Financial Services Limited ("the Company") for the financial year ended on 31st March, 2024 and verified the provisions of the following acts, regulations and also their applicability as far as the Company is concerned during the period under Audit:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015

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

(d) Securities And Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **during the year the said Regulations were not applicable.**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and **during the year the said Regulations were not applicable.**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **during the year the said Regulations were not applicable.**

(vi) Reserve Bank of India Act, 1934

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The Reserve Bank of India (RBI) has imposed penalty of 5,000/- for non-updation of CIBIL records within due timelines.
2. The Company has made delay of 5 working days for submission of intimation of Record date for month ended on December-2023.
3. The Company had set 2 record dates for the declaration of Interim Dividend and for declaration of Bonus shares in accordance with all applicable acts owing to the consecration of the Ram Mandir in Ayodhya on Monday, January 22, 2024 the Company had received email from BSE & NSE to change the record date.

The management response on above qualifications has been mentioned by the Company in Director's report.

We further report that:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. During the year the changes took place in the composition of the Board of Directors were carried out in compliance with the provisions of the Act.

ii) 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.

iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For, **Ravi Kapoor & Associates**

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587F000972831

Place: Ahmedabad
Date: August 14, 2024

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

ANNEXURE A

To,
The Members
MAS **Financial Services Limited**

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

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever 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 procedure 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.

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587F000972831

Place: Ahmedabad
Date: August 14, 2024

Annexure- C

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 transaction under third proviso thereto.

1. **Details of Contracts or Arrangements or Transactions not at Arm's length basis.** MAS Financial Services Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2023-24. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act ("the Act") and corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

Sr. No.	Particulars	Details
A	Name(s) of the related party & nature of relationship	N.A.
B	Nature of contracts/arrangements/transaction	N.A.
C	Duration of the contracts/arrangements/transaction	N.A.
D	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
E	Justification for entering into such contracts or arrangements or transactions.	N.A.
F	Date of approval by the Board	N.A.
G	Amount paid as advances, if any	N.A.
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. Details of material Contracts or Arrangements or Transactions at Arm's length basis for the year ended on March 31, 2024

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
1.	MAS Rural Housing & Mortgage Finance Limited	Rendering of Services (Agreement for Amenities)	One year	MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities- Usage of commercial premises of MFSL, furnitures & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly.	MRHMFL is in requirement of the premises, assets and infrastructure which is available with MFSL. So, to fully utilise the premises, MRHMFL has requested MFSL to provide several amenities, services, facilities-Usage of commercial premises for carrying on business smoothly.	May 10, 2023	No such amount was paid as advances.	N.A.
2.	MAS Rural Housing & Mortgage Finance Limited	Recovery Agreement	Two years	MFSL agrees to provide service to MRHMFL of collecting outstanding instalments and other dues from its customers and agrees to provide the said service under the terms and conditions as set forth in Agreement with MRHMFL.	MRHMFL being a subsidiary company carrying out business of Housing Finance is in requirement of recovery services for collecting its outstanding dues.	February 01, 2023	No such amount was paid as advances.	N.A.

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
3.	MAS Rural Housing & Mortgage Finance Limited	Cross Charge Agreement	One year	MFSL agrees to provide several intellectual services to MAS Rural Housing & Mortgage Finance Limited ("MRHMFL") from the Management of the Company to carry out the operations of the MRHMFL and considering time slot allotted to look into the activities of the MRHMFL, the Company to receive as amount as Cross Charge from MRHMFL.	MRHMFL being subsidiary company of MFSL carrying out business of Housing Finance and being managed by the management of the MFSL, in requirement of carrying out its operations requested for entering into cross charge agreement with MFSL.	May 10, 2023	No such amount was paid as advances.	N.A.
4.	MAS Rural Housing & Mortgage Finance Limited	Servicer Agreement	Until all the amount receivable by assignee are received in full.	MFSL has appointed MRHMFL as a servicer to collect and receive payments in respect of the Receivables and the Assigned Assets, and to provide certain other services.	MFSL is in requirement of a Service Provider who can collect and receive payments in respect of the Receivables on behalf of the Company	May 10, 2023	No such amount was paid as advances.	N.A.

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana S. Pandya
Director & CEO
(DIN: 07610402)

Place : Ahmedabad
Date : August 14, 2024

Annexure- D

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND:

- The Objective of this policy is to provide the Dividend Distribution framework to the stakeholders of the Company.
- The Board of Directors shall recommend Dividend according to the provisions of the Companies Act, 2013 and Rules made thereunder and in accordance with the compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable legal provisions.
- Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend means the profit of a Company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid up on the shares held by them." Dividend can be paid on equity or preference shares both.
- The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.
- The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

2. CLASSES OF SHARES:

The Company has issued only one class of shares i.e. Equity Shares. Parameters for Dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable provisions of the Act, rules and regulations and will be determined, as and when the Company decides to issue other classes of shares.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDER'S OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:

The circumstance that may generally be considered by the Board before making any recommendations for the Dividend includes:

- Cost of raising funds from alternative sources.
- Whenever the Company has incurred losses or there is inadequacy of profits.
- Whenever the Company undertakes any acquisitions or enters into joint ventures requiring significant allocation of capital.
- Future capital expenditure plans
- Profits earned during the financial year
- Cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.
- Any of the below referred internal or external factors, including any regulatory restriction, if any, restraining the Company from considering dividend;

4. FINANCIAL PARAMETERS:

Dividend shall be declared or paid only out of profits computed as per the applicable provisions of the act and rules made thereunder and other applicable laws.

5. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND:

- Distributable surplus available as per the Act, Rules and Regulations;
- The Company's liquidity position and future cash flow needs;
- Trend of dividends paid in the past years by the Company;
- Payout ratios of comparable companies;
- Industry outlook and stage of business cycle for underlying businesses
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Loan repayment and working capital requirements;
- Financial commitments with respect to the outstanding borrowings and interest thereon.
- Other Corporate Action options (For ex. Bonus issue, Buy back of shares).
- Cost and availability of alternative sources of financing;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Any windfall, extra-ordinary or abnormal gains made by the Company;

- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

6. UTILIZATION OF RETAINED EARNINGS:

Retained earnings will be used for the Company's growth plans, expected capital adequacy/liquidity requirements, debt repayments and other contingencies.

7. REVIEW:

The Board is authorized to review/amend this policy from time to time at its sole discretion and/or subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time.

8. DISCLOSURES:

The Dividend Distribution Policy (as amended from time to time) will be available on the website of the Company (www.mas.co.in) and web-link shall also be provided in the Company's Annual Report of the Company as required by the Regulations in force from time to time.

9. REPORTS

The Company shall prepare a report that is to be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank. The format of the Report shall be the format prescribed hereunder.

Details of dividend declared during the financial year

Name of the NBFC – _____

Accounting period *	Net profit for the accounting period (₹ crore)	Rate of dividend (per cent)	Amount of dividend (₹ crore)	Dividend Payout ratio (per cent)

* quarter or half year or year ended ----- as the case may be

Annexure- E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

   Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

   MAS Financial Services Limited has always, been actively involved in various Corporate Social Responsibility (CSR) activities. We are committed to making a difference by placing priority on giving back to our community and believe that businesses can only be successful when they are engaged in making the world a better place.

   During the year, the Company has undertaken various initiatives in the areas of Education and Community Welfare.

2. **Composition of CSR Committee:**

   The Company's CSR Committee consists of one Executive Director and two Independent Directors of the Company, and is chaired by an Independent Director. The composition of the Committee is set out below:

Sr. No.	Name of the Directors	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	Mr. Umesh Shah	Independent Director	Chairman	2	1
2	Mrs. Darshana Pandya	Director & CEO	Member	2	2
3	Prof. Bala Bhaskaran	Independent Director	Member	2	2

   However, due to tenure completion of Mr. Bala Bhaskaran, Independent Directors of the Company with effect from close of business hours on March 31, 2024, the Board of Directors in their meeting held on January 24, 2024 has re-constituted the CSR Committee effective from April 1, 2024:

   1. Mrs. Daksha Shah (Independent Director) – Chairman
   2. Mrs. Darshana Pandya (Director & CEO) – Member
   3. Mr. Umesh Shah (Independent Director) – Member

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:**

   The Composition of CSR committee, Company's CSR policy and CSR projects are available on website of the Company

   Composition of CSR Committee : https://mas.co.in/ConstitutionofCSRCommittee.aspx

   Company's CSR Policy : https://mas.co.in/policy.aspx

   CSR Projects' : https://mas.co.in/CSRProjects.aspx

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable
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:** Not Applicable
6. **Average Net Profit of the Company as per Section 135(5):** ₹ 2,23,08,77,331/-
7. **(a) Two percent of average net profit of the Company as per section 135(5):** ₹ 4,46,17,547/-

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

(c) **Amount required to be set off for the financial year, if any:** NIL

(d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹ 4,46,17,547/-

8. (a) **Details of CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in Rs.)				
	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 (in ₹)	Date of Transfer	Name of Fund	Amount (in ₹)	Date of Transfer
36,89,793	4,09,27,754	April 29, 2024	-	-	-

(b) **Details of CSR amount spent against Ongoing Projects for the financial year:**

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	Education	Yes	Gujarat	Rural locations of Gujarat	3 Years	Approx. 3,51,00,000	14,56,987	3,36,43,013	Yes	NA	
2.	"AROGYA ABHIYAN" - MEDICAL FACILITY TO NEEDY PEOPLE	Health	Yes	Gujarat	Ahmedabad	1-3 Years	Approx. 40,00,000	1,00,000	39,00,000	Yes	NA	
3.	GRAIN DISTRIBUTION	Food Distribution	Yes	Gujarat	Ahmedabad	1-3 Years	Approx. 52,18,615	18,33,874	33,84,741	Yes	NA	
TOTAL							Approx. 4,43,18,615	33,90,861				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Donation to Army Officials	Benefit of armed forces veterans, war widows and their dependents	Yes	Gujarat	Ahmedabad	2,72,047	Yes	Not Applicable	
TOTAL						2,72,047			

(d) **Amount spent in Administrative Overheads** : Rs. 26,885/-

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e)** : Rs. 36,89,793/-

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

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent 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 Rs.)	Date of Transfer	
1.	2022-23	3,98,18,497	15,47,383	-	-	-	3,54,87,060
2.	2021-22	3,98,86,563	1,62,38,507	-	-	-	1,89,66,618
3.	2020-21	3,84,21,095	1,81,84,115	-	-	-	0.00
	TOTAL	**11,81,26,155**	**3,59,70,005**	**-**	**-**	**-**	**5,44,53,678**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹ Crs.)	Amount spent on the project in the reporting Financial Year (in ₹ Crs.)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Crs.)	Status of the project - Completed /Ongoing.
1.	FY31.03.2023_1	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	2022-23	3 Years	Approx 3.35	0.15	0.31	Ongoing
2.	FY31.03.2023_2	"AROGYA ABHIYAN" - MEDICAL FACILITY TO NEEDY PEOPLE	2022-23	1-3 Years	Approx 0.84	0.00	0.09	Ongoing
3.	FY31.03.2023_3	GRAIN DISTRIBUTION	2022-23	1-3 Years	Approx 0.05	0.00	0.02	Ongoing
4.	FY31.03.2022_1	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	2021-22	3 Years	Approx. 2.44	0.34	0.95	Ongoing
5.	FY31.03.2022_1	"AROGYA ABHIYAN" - MEDICAL FACILITY TO NEEDY PEOPLE	2021-22	1-3 Years	Approx. 1.5	1.23	1.46	Ongoing
6.	FY31.03.2022_1	MAS "KHEL PROTSAHAN ABHIYAN"	2021-22	1-3 Years	Approx. 0.48	0.05	0.05	Ongoing
7.	FY31.03.2021_1	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	2020-21	3 Years	Approx. 2.30	0.87	2.30	Completed
8.	FY31.03.2021_2	MAS MENSTRUAL HYGIENE PROGRAMME (PROMOTING SANITATION IN RURAL AREAS)	2020-21	3 Years	Approx. 0.05	0.03	0.05	Completed
9.	FY31.03.2021_3	AROGYA ABHIYAN - MEDICAL FACILITY TO NEEDY PEOPLE	2020-21	3 Years	Approx. 1.50	0.47	1.50	Completed

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

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

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

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

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

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):

Citing the ongoing project of the company, we would like to emphasize that our company is deeply committed to utilizing funds efficiently and ensuring they reach the last mile of impact. While there may have been unspent funds for CSR, we have a clear strategy in place to address this.

The unspent funds will be allocated to long-term multiyear projects, primarily focusing on education, constructing sheds and providing basic hygiene facilities in remote rural areas. Additionally, we have identified various projects aimed at promoting education, sanitation, health, and overall welfare to enhance the quality of life for all. Our CSR initiatives are rooted in the well-being and betterment of lives.

As per our CSR policy and project alignment, funds have been earmarked accordingly. We have a long-standing history of implementing social initiatives and positively impacting communities across the state. Our goal is to increase our CSR impact and expenditure in the upcoming years, while concurrently prioritizing sustainable development and responsible infrastructure.

We assure you that all efforts will be made to cover the shortfall in CSR spending in the coming years. We are dedicated to expanding our CSR initiatives, particularly in rural development, health promotion, and sanitation. Our aim is to reach as many deserving students as possible, ensuring the benefits directly impact those in need. While the process may require additional time, we remain committed to fulfilling the entire required CSR expenditure as per the provisions of the Companies Act, 2013.

Mr. Umesh Shah
Independent Director
Chairman of CSR Committee
DIN: 07685672

Mrs. Darshana Pandya
Director & CEO
Member of CSR Committee
DIN: 07610402

Date : August 14, 2024
Place : Ahmedabad

Annexure- F

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	Details	
1.	Name of the subsidiary	MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED	MASFIN INSURANCE BROKING PRIVATE LIMITED
2.	The date since when subsidiary was acquired	10/10/2007	05/08/2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Financial Year 2023-2024 (01.04.2023 to 31.03.2024)	
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	
5.	Share capital	Authorised: ₹ 45,00,00,000/- Paid up : ₹ 42,86,85,750/-	Authorised: ₹ 50,00,000/- Paid up : ₹ 50,00,000/-
6.	Other Equity	67,96,71,949	-8,78,829
7.	Total assets	4,99,33,69,853	41,77,689
8.	Total Liabilities	3,88,50,12,154	56,518
9.	Investments	15,00,000	NIL
10.	Turnover	62,45,93,956	NIL
11.	Profit before taxation	9,57,50,762	-7,31,778
12.	Provision for taxation	1,99,47,900	NIL
13.	Profit after taxation	7,58,02,862	-7,31,778
14.	Proposed Dividend	1,30,06,217	NIL
15.	% of shareholding	60.77%	69.00%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – MASFIN INSURANCE BROKING PRIVATE LIMITED
2. Names of subsidiaries which have been liquidated or sold during the year – NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1.	Name of associates/Joint Ventures	N.A.
2.	Latest audited Balance Sheet Date	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end Number Amount of Investment in Associates/Joint Venture Extend of Holding%	N.A.
4.	Description of how there is significant influence	N.A.
5.	Reason why the associate/joint venture is not consolidated	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
7.	Profit/Loss for the year	
	(i) Considered in Consolidation	N.A.
	(ii) Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana S. Pandya
Director & CEO
(DIN: 07610402)

Riddhi B. Bhayani
Company Secretary & Chief Compliance Officer
Membership No.: A41206

Date : August 14, 2024
Place : Ahmedabad

Annexure- G

Particulars of Employees (pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended)

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under:

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. **The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2023-24:**

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	155.45 : 1
2.	Mrs. Darshana Pandya	Director and Chief Executive Officer	Remuneration	21.53 : 1
3.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	2.15 : 1
4.	Mr. Chetan Shah	Independent Director	Sitting Fees	2.40 : 1
5.	Mr. Umesh Shah	Independent Director	Sitting Fees	1.91 : 1
6.	Mrs. Daksha Shah	Woman Independent Director	Sitting Fees	1.11 : 1
7.	Mr. Narayanan Sadanandan	Independent Director	Sitting Fees	0.68 : 1

2. **The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24:**

Sr. No.	Name	Designation	Nature of Payment	Percentage Increase / decrease over previous year
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	24.37%
2.	Mrs. Darshana Pandya	Director and Chief Executive Officer	Remuneration	31.44%
3.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	Nil #
4.	Mr. Chetan Shah	Independent Director	Sitting Fees	Nil #
5.	Mr. Umesh Shah	Independent Director	Sitting Fees	Nil #
6.	Mrs. Daksha Shah	Woman Independent Director	Sitting Fees	Nil #
7.	Mr. Narayanan Sadanandan	Independent Director	Sitting Fees	Nil #
8.	Ms. Riddhi Bhayani	Company Secretary and Chief Compliance Officer	Remuneration	13.59%
9.	Mr. Ankit Jain	Chief Financial Officer	Remuneration	21.76%

Independent Directors are paid fixed sitting fees for every meeting attended, amount of the same is not changed during the year.

3. **The percentage increase in the median remuneration of employees in the financial year:** The median remuneration of employees was increased by 17.48% over previous year.

4. **The number of permanent employees on the roll of the Company:** 1590 Employees

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** The Average salaries of the employees of the Company increased by 25.69% while the Managerial remuneration increased by 24.75% in the current year. Annual increments, if any, are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) The Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

List of top ten employees (other than Directors) in terms of remuneration drawn as on March 31, 2024:

Sr. No.	Name of Employee	Designation	Remuneration (₹ in lakh)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment	Number of equity shares of the Company held by employee	Relative of any Directors
1.	Mr. Saumil Dipakbhai Pandya	President & Head Retail Assets	84.05	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/08/1996	52	--	42,753 Shares (0.0261%)	Husband of Mrs. Darshana Pandya
2.	Mr. Ankit T. Jain	Chief Financial Officer	44.89	On roll	M.B.A. Finance Has more than 1 decade of experience	01/04/2010	37	--	75 Shares (Negligible Holding)	--
3.	Mr. Dipak M. Dangar	COO - Retail Asset Channel	44.89	On roll	B.E. Chemical & MBA Finance Has more than 1 decade of experience	26/05/2008	41	--	12 Shares (Negligible Holding)	--
4.	Mr. Nishant Jain	Chief Risk Officer	44.63	On roll	Chartered Accountant Has more than 1 decade of experience	03/05/2018	36	Jain Sons Finlease Limited	--	--
5.	Mr. Sunil Shah	Head Portfolio	41.81	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/07/1998	54	--	1,464 Shares (0.0008%)	--
6.	Mr. Gaurang Arvindbhai Kasudia	Head - MIS	40.93	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/08/1996	48	--	1,014 Shares (0.0006%)	--
7.	Mr. Bhavesh D. Patel	Head - Accounts	38.55	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/04/2004	43	Nishu Accounts Consultancy	1,014 Shares (0.0006%)	--
8.	Mr. Dhvanil K. Gandhi	Executive Vice President	38.41	On roll	Masters in Business Administration Has more than a decade of experience	20/07/2011	31	--	1,05,831 Shares (0.0645%)	Son of Mr. Kamlesh Gandhi
9.	Mr. Ravi Mukeshbhai Shah	Credit Incharge	33.44	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/12/1999	46	--	564 Shares (0.0003%)	--

Sr. No.	Name of Employee	Designation	Remuneration (₹ in lakh)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment	Number of equity shares of the Company held by employee	Relative of any Directors
10.	Mr. Rajen S. Shah	Chief Technology Officer	31.05	On roll	Bachelor of Science, Master in Computer Application Has more than 2 decades of experience	01/09/2003	50	Akar Laminators Limited	360 Shares (0.0002%)	--

Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

FOR, MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Date : August 14, 2024
Place : Ahmedabad

Annexure- H

MANAGEMENT DISCUSSION & ANALYSIS

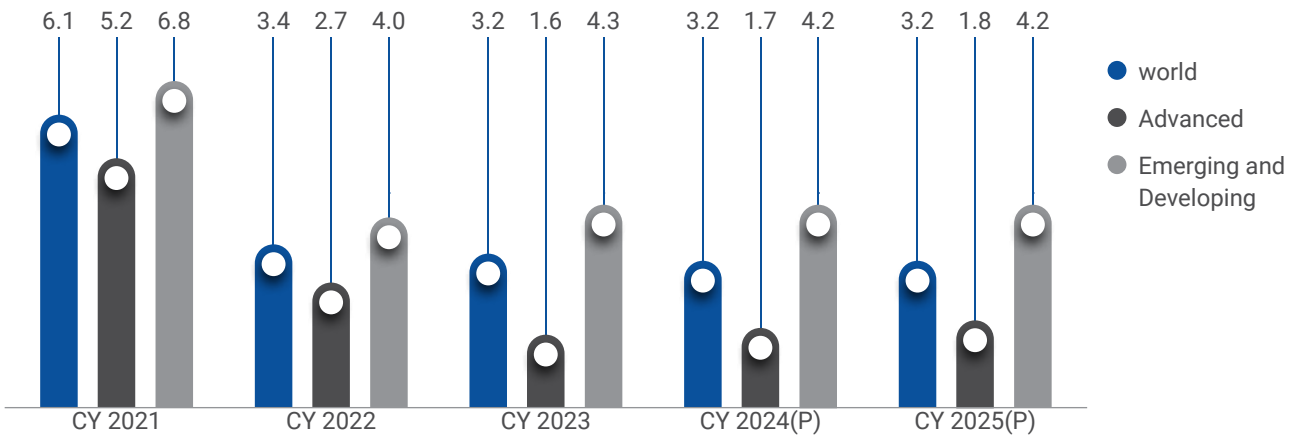
ECONOMIC OVERVIEW

Global Economy

The global economy has defied expectations, exhibiting resilience despite disinflation fears in 2022-23 and central bank interest rate hikes aimed at curbing inflation. This steady growth can be attributed to factors like increased government spending, continued consumer spending, and a surprising rise in labour force participation. All these factors helped avert the dreaded stagflation scenario.

The April 2024 World Economic Outlook, titled "Steady but Slow: Resilience amid Divergence," projects continued global growth at a moderate pace of 3.2% for 2024 and 2025, mirroring the overall performance in 2023.

Global Growth amd Projections



Source: World Economic Outlook, IMF

Growth is expected to remain modest, with a slight acceleration in advanced economies offset by a moderate slowdown in emerging markets. Long-term growth projections, however, paint a picture of historically low figures.

Inflationary pressures are easing at a faster-than-anticipated clip in many regions, leading to a more balanced outlook compared to last year. Global inflation is forecast to follow a downward trajectory, dropping from 6.8% in 2023 to 5.9% in 2024 and eventually reaching 4.5% in 2025. Notably, advanced economies are expected to achieve their inflation targets sooner than emerging markets. However, core inflation may exhibit a slower decline.

The IMF's April 2024 report emphasizes the need for central banks to ensure a smooth transition as inflation approaches its target level. Additionally, renewed focus on fiscal consolidation is crucial to create space for future investments, manage debt levels sustainably, and safeguard long-term financial health.

Overall, the global economic outlook presents cautious optimism. While immediate risks appear balanced, addressing long-term challenges is paramount. These challenges include high borrowing costs, the withdrawal of fiscal support, and the lingering effects of the COVID-19 pandemic and geopolitical tensions.

The current low forecast for global growth in five years suggests a potential slowdown in the convergence of living standards across countries. Responsible monetary and fiscal policies, coupled with growth-oriented reforms and international collaboration, will be critical for navigating the current economic landscape and forging a more secure and sustainable future.

(Source: IMF April 2024 – World Economic Outlook publication, titled 'Steady but Slow: Resilience amid Divergence')

Indian Economy

Despite a challenging global environment in FY 2023-24, marked by high-interest rates and geopolitical tensions, India

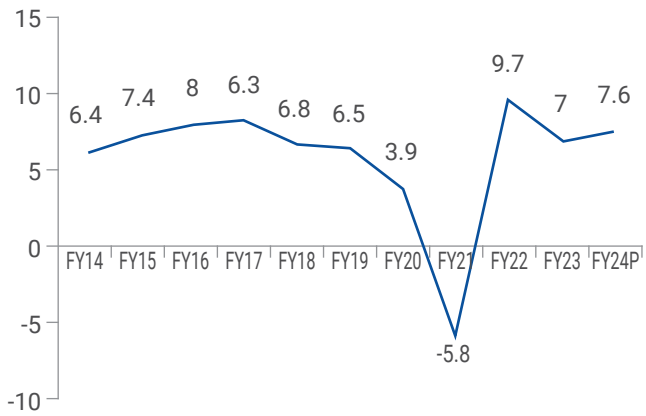
demonstrated impressive resilience. Retaining its position as the world's fifth-largest economy, India is projected to achieve a growth rate of 7.6% according to the second revised estimates by MOSPI, surpassing the previous year's 7%. This robust growth is attributed to strong domestic consumption, increased government capital expenditure, a fortified financial sector, and stable monetary policies.

Both the manufacturing and service sectors thrived. Manufacturing saw an impressive 8.5% growth, with the Index of Industrial Production (IIP) for manufacturing registering a significant 5.6% year-on-year increase. The service sector remained resilient, with the Purchasing Managers' Index (PMI) consistently exceeding 50, indicating sustained expansion. Additionally, a surge of 11.7% in GST collections underscored robust domestic demand.

Global geopolitical tensions, particularly the Russia-Ukraine conflict, triggered a rise in oil prices and grain scarcity, leading to higher global inflation. India felt these effects, experiencing increased inflation rates. To address this, the Reserve Bank of India maintained a stringent monetary policy, keeping key policy rates unchanged at 6.5%. This effectively managed inflation within the tolerance band, with average CPI inflation estimated at 5.4% for the fiscal year.

Gross National Disposable Income (GNDI) at current prices witnessed a growth of 14.5% in FY 2022-23 compared to 18.8% in FY 2021-22. Gross Saving during FY 2022-23 is estimated at Rs 81.50 lakh crore, up from Rs 73.63 lakh crore in FY 2021-22. Consequently, the Gross Saving to GNDI ratio for FY 2022-23 is estimated at 29.7%, compared to 30.8% for FY 2021-22.

India's GDP Growth



Source: Trading Economics

OUTLOOK

The World Bank painted a rosy picture for India's upcoming fiscal year, projecting a growth rate of 7.5% in FY 2024-25. This optimistic forecast is fuelled by anticipation of continued strength of the service sector alongside vibrant construction and real estate activities within the industrial sector. The World Bank highlights the robust expansion witnessed in the fourth quarter of 2023, driven by rapid increases in investment and government consumption, which is expected to persist. Inflationary pressures, which peaked in mid-2023, are predicted to ease and hover around 4.5% throughout FY 2024-25, falling comfortably within the RBI's target range of 2-6%. This anticipated subsiding of inflation will create more space for policy measures aimed at easing financial conditions.

The World Bank foresees a slight moderation in India's growth trajectory to 6.6% in FY 2024-25, followed by a pick-up in subsequent years. This pick-up is attributed to the long-term benefits expected from a decade of robust public investment. However, the RBI exhibits a more confident stance on India's strengthened domestic economic activity. India's GDP growth rate for the quarter ending December 2023 surpassed the RBI's projections significantly, reaching 8.4%. This reinforces India's position as the world's fastest-growing major economy. While the first advance estimates (FAE) released by the NSO indicated a year-on-year GDP growth of 7.3% for 2023-24, driven by strong investment activity, the second advance estimate revised the growth projection upwards to 7.6%. Nevertheless, the RBI, in its first bi-monthly committee meeting for FY24-25, maintained its real GDP growth forecast at a robust 7%.

Source: PIB, World Bank, RBI, Trading Economics

INDUSTRY OVERVIEW

Financial Services Industry

India's financial sector is diverse and growing quickly, with both established firms and new entrants expanding. Key segments include commercial banks, insurance companies, non-banking financial companies, cooperatives, pension funds, mutual funds, and smaller entities. The rise of fintech across these segments is driving the industry to new heights and accelerating its growth rapidly.

The Government of India has introduced reforms to improve the financial services industry. Along with the Reserve Bank of India (RBI), it has taken steps to make financing easier for Micro, Small, and Medium Enterprises (MSMEs). These steps include launching the Credit Guarantee Fund Scheme for MSMEs, issuing guidelines to banks on collateral requirements, and establishing the Micro Units Development and Refinance Agency (MUDRA).

Recently, the financial sector has faced challenges like bad loans, the NPA crisis, and the impact of COVID-19. To address these, the government and RBI have taken various measures. The Insolvency and Bankruptcy Code, 2016 (IBC) has changed the credit culture, and amendments to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 have made it more effective. The National Asset Reconstruction Company Limited was established to resolve stressed assets over ₹500 crore. Additionally, tighter monetary policy has improved interest margins for lenders and reduced non-performing loans.

The Indian financial services industry is set for strong growth due to rising disposable incomes, a growing economy, increased digitization, and government support. Additionally, a greater focus on financial literacy is expected to expand the customer base and increase the industry's overall size.

NBFCs in India

The Non-Banking Financial Companies (NBFCs) sector in India has grown significantly, becoming a key part of the financial landscape. Segments like housing finance, microfinance, and consumer finance have driven this expansion. Factors such as a growing middle class, better financial inclusion, and supportive policies have fuelled this growth. Today, NBFCs have become a crucial source of finance for many, including SMEs and underserved populations. They efficiently meet diverse borrower needs due to their wide reach, understanding of financial requirements, and quick turnaround times.

According to the KPMG and CII report "NBFCs in India: Growth and Stability," NBFCs are recovering from the post-COVID-19 slowdown with an expected credit growth of 13-14% in FY24. However, from FY23 to FY25, NBFC credit is projected to grow at a CAGR of 13-15%. The pandemic accelerated technology adoption and changes in consumer habits, allowing NBFCs to grow without heavy investment in physical locations. The report cited some key reasons for the growth of NBFCs, which include their deep demographic and addressable market understanding, tailored product offerings, wider and more effective reach, technology advancements and growing fintech ecosystem for improved efficiency and enhanced experience, practice of co-lending and various Government and central bank Initiatives. It also pointed out that the industry is likely to see new NBFCs targeting specific customer segments.

An interesting trend that has emerged in the NBFC space is digital adoption to improve efficiency, customer experience, and compliance while reducing costs. Despite tough competition from banks and MFIs in market share, customer acquisition, asset quality, and technology, NBFCs lead in frugal digital innovation. They effectively compete with larger institutions using advanced technologies like cloud, low-code/no-code, data lakes, and GenAI, which support modern applications, super apps, data transparency, and strong information security for seamless customer and employee experiences.

Despite being vital contributors to the financial ecosystem, a number of NBFCs face evolving challenges in securing funds. The report suggests that by exploring alternative funding sources and aligning strategies with regulatory measures, these financial entities can secure their future growth and resilience.

MSME Sector

As of March 2024, 4,00,42,875 MSMEs are registered on the Udyam portal, including the Udyam Assist Platform (UAP). Among these, 97.7% are micro-enterprises, 1.5% are small enterprises, and 0.8% are medium-sized enterprises. As of February 5, 2024, women own 20.5% of these MSMEs, contributing 18.73% to employment and 10.22% to turnover. According to IBEF, the number of MSMEs is expected to grow from 6.3 crore to about 7.5 crore, with a projected CAGR of 2.5%.

Under the Pradhan Mantri Mudra Yojana (PMMY), Rs. 4.82 lakh crore was sanctioned in FY24 for 5.8 crore Mudra loans to non-corporate and non-farm MSEs. Additionally, as per the findings of the latest edition of MSME Pulse Report based on data as of quarter ending Sep 2023, credit flow to MSMEs continues to grow catalysed by technology and data-analytics oriented lending. This credit growth is broad-based, marked expansion is seen amongst semi-urban and rural MSMEs.

The government aims to support MSME growth through various initiatives. In the interim Budget for 2024-2025, the Finance Minister announced a Rs. 1 lakh crore corpus for 50-year interest-free loans to boost research and innovation in emerging sectors. Further, the 2023-24 budget revamped the credit guarantee scheme for MSMEs with a Rs. 9,000 crore infusion, enabling Rs. 2 lakh crore in additional collateral-free credit and reducing credit costs by 1%. Gross bank credit to MSMEs in October 2023 was US$ 279.18 billion, a 22.8% increase from the previous year and an 11.8% rise from September 2023. This growth, driven by technology and data-analytics lending, is broad-based, with significant expansion in semi-urban and rural MSMEs.

According to the Global Alliance For Mass Entrepreneurship (GAME), key trends for MSME growth in 2024 include embracing sustainability, expanding e-commerce, technological advancements, new funding avenues, global market integration, an evolving workforce, and increased policy and government support.

Housing Finance

India's housing finance market is a flourishing sector brimming with potential for both lenders and borrowers. Valued at a staggering ₹ 30 trillion, the market is expected to surge at a robust 13% CAGR (FY23-26), fueled by rising incomes, improved affordability, and supportive government policies. Housing finance already reigns supreme within India's secured loan portfolio.

The post-pandemic era, though marked by occasional dips, has witnessed consistent market strength. Key trends shaping the market include a digital revolution streamlining the home loan process, a growing focus on financing affordable housing, and an increased demand for sustainable and green housing solutions. Additionally, niche financing options are emerging to cater to specific customer segments, contributing to the market's dynamism and evolution.

Fresh players are innovating their way into the market, with fintech startups leveraging digital platforms to make their

mark. Established lenders are keeping pace by expanding their reach to Tier 2 and Tier 3 towns. Fintech's role is proving instrumental in empowering both homebuyers and investors. By seamlessly integrating technology, data analytics, and digitization, fintech is making home loan processes swifter, more accessible, and highly secure. These new-age companies connect lenders with qualified leads, broaden the customer base, and ensure borrowers have access to affordable housing finance.

Looking ahead, India's housing finance market appears poised for a bright future, driven by a combination of market growth, a focus on affordability and sustainability, and the rise of innovative fintech solutions.

Automobiles

India's automobile sector is a major player on the world stage. It holds the distinction of being the world's third-largest automobile market, showcasing its strength across various segments. The industry is a dominant force in heavy vehicles, ranking as the world's No. 1 tractor manufacturer, No. 2 bus manufacturer, and No. 3 heavy truck manufacturer.

This sector is not only a source of national pride but also a significant contributor to the economy. Foreign Direct Investment (FDI) in the automobile sector is on the rise, accounting for 5.35% of the total FDI inflow as per the December 2023 DPIIT Report.

The electric vehicle (EV) market, projected to experience a Compound Annual Growth Rate (CAGR) of 49% between 2022 and 2030. This surge is expected to create a significant number of jobs, with estimates suggesting 5 million direct and indirect jobs will be generated by 2030. Furthermore, the EV financing market is poised to reach a size of $50 billion by 2030, a substantial portion of the current Indian retail vehicle finance industry.

The industry is a significant job creator, employing millions of people across various sectors. According to the Society of Indian Automobile Manufacturers (SIAM), the industry generates employment for 13 people per truck, 6 people per car, 4 people per three-wheeler, and 1 person per two-wheeler.

Recent sales figures from SIAM paint a positive picture. Total domestic vehicle sales witnessed a healthy 12.5% increase in FY24, reaching 23.8 million units compared to the previous year. Passenger vehicles and two-wheelers both experienced significant growth, with passenger vehicle sales rising by 8.4% and two-wheeler sales climbing by 13.3%.

Domestic Sales Trends

(in numbers)

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114	42 18,746
Commercial Vehicles	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468	9,67,878
Three Wheelers	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768	6,91,749
Two Wheelers	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087	1,79,74,365
Quadricycles	627	942	-12	124	725	725
Grand Total	**2,62,66,179**	**2,15,45,551**	**1,86,20,233**	**1,76,17,606**	**2,12,04,162**	**2,38,53,463**

Source: SIAM

Export Trends

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	6,76,192	6,62,118	4,04,397	5,77,875	6,62,891	6,72,105
Commercial Vehicles	99,933	60,379	50,334	92,297	78,645	65,816
Three Wheelers	5,67,683	5,01,651	3,93,001	4,99,730	3,65,549	2,99,977
Two Wheelers	32,80,841	35,19,405	32,82,786	44,43,131	36,52,122	34,58,416
Quadricycles	4,400	5,185	3,529	4,326	2,280	4,178
Grand Total	**46,29,049**	**47,48,738**	**41,34,047**	**56,17,359**	**47,61,487**	**45,00,492**

Source: SIAM

India's ambitious goal of doubling its auto industry size to ₹ 15 Lakh Crore by the end of 2024 reflects the sector's potential and the government's commitment to its continued growth. With a strong foundation, a booming EV market, and a skilled workforce, India's automobile industry is well-positioned to maintain its position as a global leader.

COMPANY OVERVIEW

MAS Financial Services Limited was founded in 1995 and is a registered Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India (RBI). The Company operates out of Ahmedabad and specializes in providing retail financing services to the lower and middle-income groups of society. Over the past two and a half decades, MAS has been dedicated to serving the financially underserved masses across urban, semi-urban, and rural areas, both in the formal and informal sectors of the economy.

MAS offers a diverse range of retail finance products to cater to the varied needs of its customers. These include Micro Enterprise Loans, SME Loans, Two-Wheeler Loans, Commercial Vehicle Loans, Salaried Personal Loans, and Home Loans (through subsidiary). The Company's operations are built on the foundation of a highly experienced management team, a huge borrower base, a diverse product mix, efficient liability management, and a well-spread branch network.

Distribution Network

The Company has established a strong distribution network to provide its customers with top-quality services at their convenience. Its operations span across 189 branches, strategically located in Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Karnataka, Telangana, Delhi NCR, Haryana, Punjab and Uttarakhand. This widespread network enables the Company to serve the underserved and capture a significant share of the untapped demand in the hinterlands by providing last-mile delivery of credit.

The Company's in-depth market knowledge has helped it establish strong and time-tested connections with MFIs, HFCs, and other NBFCs that offer similar products. By forging robust value chains, MAS has been able to extend its financial services to the underpenetrated regions and the Bottom of the Pyramid (BOP) segment. Its mission is to penetrate the informal financial sector and promote inclusivity by leveraging its distribution network and channel partners.

As of March 31, 2024, MAS had catered to over 8,80,000+ active loan accounts across more than 12,000+ customer locations through its robust branch network.

Partnerships with Various NBFCs

MAS has adopted a strategic partnership model to ensure mutual success for all stakeholders – the Company, its partners, and customers. In this model, MAS collaborates with various NBFCs, offering its domain expertise and lines of credit, while partners undertake last-mile credit delivery more effectively. This approach helps build stronger networks and fosters customer trust. Additionally, leveraging the operational efficiency and customer relationships of its partners in relatively remote areas of India allows MAS to improve its customer base without excessive investments in physical infrastructure.

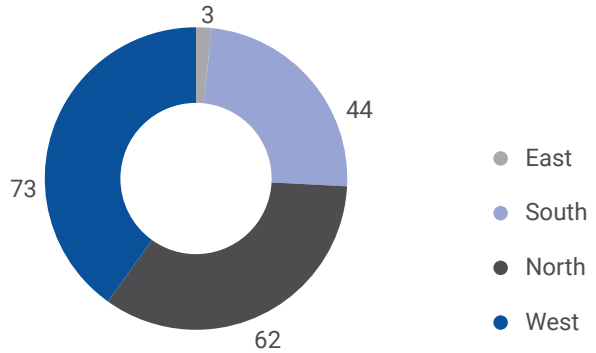
The model aims to help target clients approach the informal financial sector to meet their financing needs. Furthermore, MAS has established commercial arrangements with various sourcing partners, providing a guarantee for a part of a loan default. These revenue-sharing arrangements offer a relatively stable revenue source for the sourcing partners, making them attractive.

As of March 31, 2024, MAS had 365 sourcing intermediates for its Commercial Vehicle Loans and 185 for its Two-Wheeler Loans.

The Company's business expansion can be attributed to its strong and innovative partnership with NBFCs and NBFC-MFIs, which has resulted in the development of a unique and robust distribution network. This has not only strengthened the Company's pan-India presence but also mitigated the risk of overdependence on any one partner. Furthermore, this partnership model helps to control operating expenses and maintain credit quality, as the NBFC partner is responsible for both sourcing the end- customer and managing the risk of default.

As of March 31, 2024, the Company had 182 strategic partner NBFCs. Out of the 182 partners in FY 2023-24, around 45.60% fall within the AUM range of ₹ 50 – ₹ 500 crore allowing the Company to reach a larger customer base in remote geographies and considerably reducing the turnaround time for extending credit to customers. Moreover, the majority of its partners maintained a healthy Capital Adequacy Ratio (CAR) of more than 20%, which is well above the threshold limit.

Region wise NBFCs and NBFC-MFI Partners - FY 2023-24



BUSINESS PERFORMANCE

MAS offers a diverse range of financial products and services and is in a strong position to meet the financial needs of customers in the low and middle-income segments.

Performance of various Product Offerings - MSME Loans

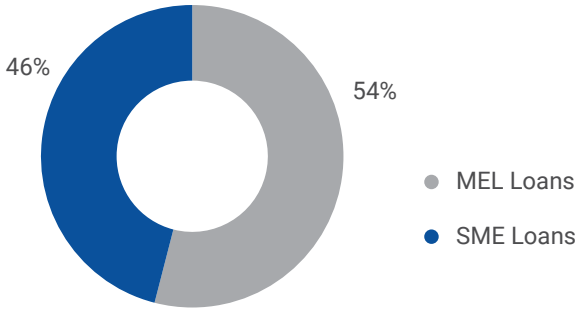
Micro-Enterprise Loan (MEL)

MAS offers loans to small enterprises spread across 190 business categories, including retailers, traders, small manufacturers, and service providers. The ticket size of these loans' ranges from ₹ 0.5 lakh to ₹ 10 lakhs.

Small & Medium Enterprises (SME)

The Company offers loans to SMEs engaged in manufacturing, trading, or services, for the purchase of fixed assets, like machinery or industrial property, and for their working capital requirements such as purchase of stock, replacing trade credit, etc. The ticket size of these loans ranges from ₹ 10 lakhs to ₹ 3 crore.

In FY 2023-24, MAS provided loans amounting to ₹ 4,685.99 crore as MEL loans and ₹ 3,617.17 crore as SME loans. The AUM for MEL loans stood at ₹ 4,385.11 crore and SME loans stood at ₹ 3,733.86 crore as on March 31, 2024, as compared to ₹ 3,874.16 crore and ₹ 2,986.66 crore respectively as on March 31, 2023.



TWO-WHEELER AND COMMERCIAL VEHICLE LOANS (WHEELS PORTFOLIO)

Two-Wheeler Loans

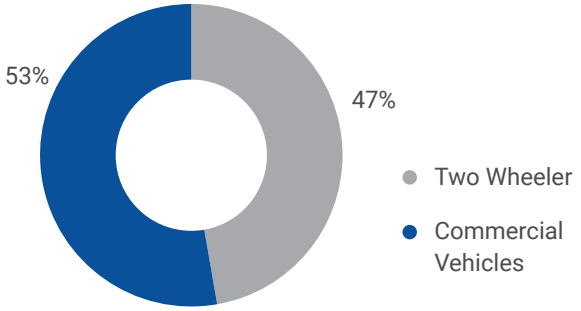
MAS offers two-wheeler loans to farmers, self-employed, businessmen, professionals, and salaried customers in urban, semi-urban, and rural areas. The ticket size of these loans ranges from ₹ 25,000 to ₹ 1.50 lakhs.

Commercial Vehicle Loans

The Company provides for the purchase of commercial vehicles. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 1 lakh to ₹ 15 lakhs.

MAS also assists individuals and businesses in buying vehicles for personal use or to expand their transport/ distribution business.

In FY 2023-24, MAS provided loans amounting to ₹ 652.44 crore as Commercial Vehicle Loans and ₹ 575.28 Crore as Two Wheeler Loans.



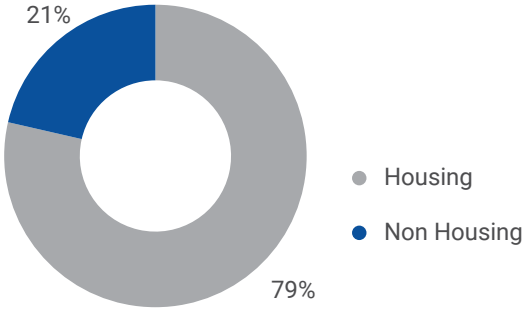
AUM for Commercial Vehicles and Two-Wheeler Loans stood at ₹ 747.66 crore and ₹ 670.12 crore respectively as on March 31, 2024 in comparison to ₹ 372.48 crore and ₹ 554.35 crore respectively as on March 31, 2023.

Salaried Personal Loans

MAS entered a new product segment of Salaried Personal Loans during FY 2022-23. It provides loans of up to ₹ 5 lakhs to the salaried individuals of the approved companies to satisfy their needs. In FY 2023-24, MAS provided loans amounting to ₹ 687.58 crore as Salaried Person Loans. AUM for Salaried Personal Loans stood at ₹ 588.86 crore as on March 31, 2024 in comparison to ₹ 304.90 crore as on March 31, 2023.

Housing Loans

MAS Rural Housing & Mortgage Finance Ltd. (MRHMFL) is a subsidiary of MAS. It was set up as a Housing Finance Company (HFC) in 2007, to provide affordable housing loans to customers in the low and middle-income group, especially in semi-urban and rural areas. MRHMFL offers housing loans to customers for the purchase, construction or renovation of their homes and loans for purchase and construction of commercial property. It also extends loans to developers for construction of affordable housing projects. In FY 2023-24, MRHMFL provided loans amounting to ₹ 264.63 crore.



As on March 31, 2024, the AUM for MRHMFL's business stood at ₹ 596.29 crore as compared to ₹ 413.34 crore as on March 31, 2023.

Particulars	Standalone		Consolidated	
	Year Ended on March 31, 2024	Year Ended on March 31, 2023	Year Ended on March 31, 2024	Year Ended on March 31, 2023
Revenue from Operations	1217.15	936.85	1279.16	978.60
Other Income	7.42	3.00	6.52	2.43
Total Income	**1224.57**	**939.85**	**1285.68**	**981.03**
Total Expenditure	**893.15**	**675.15**	**946.01**	**709.38**
Profit Before Tax	331.42	264.70	339.67	271.65
Provision for Taxation (Including Current Tax, Deferred Tax & Income Tax of earlier Years)	83.67	63.74	85.66	65.83
Net Profit	**247.75**	**200.96**	**254.01**	**205.82**
Profit Brought Forward	674.61	533.21	679.63	537.08
Net Profit after profit attributable to minority shareholders	-	-	(2.96)	(2.56)
Effect of changes in the Group's interest	-	-	(2.28)	-
Item of other comprehensive income recognised directly in retained earnings - on defined benefit plan	0.39	0.04	(0.38	0.05
Profit Available for Appropriation	**921.97**	**734.21**	**928.02**	**740.39**
APPROPRIATIONS:				
Transfer to reserve u/s 45-IC of RBI Act, 1934	(49.55)	(40.19)	(49.55)	(40.19)
Transfer to reserve u/s 29-C of NHB Act, 1987	-	-	(1.21)	(1.16)
Final Dividend on Equity Shares	(10.11)	(9.57)	(10.11)	(9.57)
Interim Dividend on Equity Shares	(16.40)	(9.84)	(16.40)	(9.84)
Dividend distribution tax on Equity Shares	-	-		-
Surplus Balance carried to Balance Sheet	**845.91**	**674.61**	**850.75**	**679.63**

Details of significant changes in Key Financial Ratios

During FY 2023-24, there were no significant changes (changes exceeding 25% or more as compared to the immediately previous financial year) in Key Financial Ratios

Details of changes in Ratios

On a standalone basis, during FY 2023-24, the Net Interest Margin (%) stood at 6.89% as compared to 6.79% in FY 2022-23. The Debt Equity Ratio was 4.00 times in FY 2023-24 as compared to 3.92 times for FY 2022-23. The Interest Coverage Ratio was 1.54 times in FY 2023-24 as compared to 1.56 times for FY 2022-23. The Company's return on net worth improved to 16.31% in FY 2023-24 as compared to 15.25% for FY 2022-23 due to operational efficiency and increase in profitability.

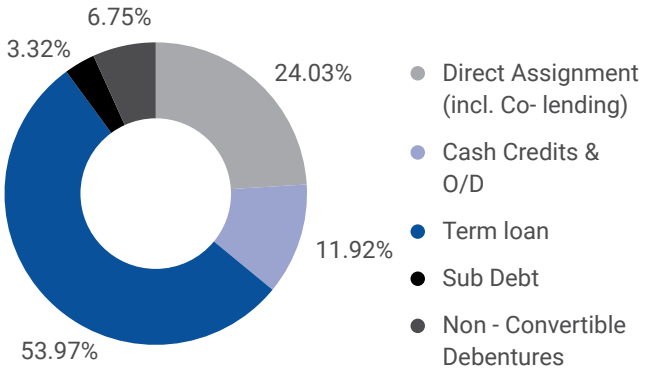
LIABILITY MANAGEMENT

MAS considers liability management as a critical function. Prudent liability management has enabled the Company to tide over challenges within the industry, as well as raise adequate liability as per regulatory requirements.

Over the years, the Company has established strong bonds and long-standing relationships with leading banks and various financial institutions. It intends to leverage its strong reputation, fund management experience and expertise to deliver benefits for its clients and value for its stakeholders. The Company continued to efficiently manage its Asset Liability Management (ALM) with a strategy of a judicious mix of borrowings between term loans, debentures, direct assignment, and cash credit.

As on March 31, 2024, the total borrowings of the Company stood at ₹ 7,081.20 crore. Around 85% of the asset portfolio comprises of MSME loans, which qualifies as Priority Sector Lending. The Company aims to maintain 20% to 25% of AUM as off book through direct assignment and co-lending transactions, which is with door-to-door maturity and without recourse to the Company. This further strengthens the liability management.

Source of Fund as on March 31, 2024



Following prudent practices, the total Cash credit limit available to the Company is ₹ 1,690 crore spread across 14 banks. The utilization level is maintained at 65% - 70% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.

As on March 31, 2024, the Company had a liquidity buffer of around ₹ 800 crore and an unutilized Cash Credit facility of around ₹ 575 crore. In addition, the Company has a sanction on hand to the tune of ₹ 1,100 crore in the form of Term Loan, NCD and Direct assignment.

MAS has also assessed its structural liquidity for the period ended March 31, 2024, and concluded that there is no negative impact on liquidity and the cash flow.

The Company has also stress-tested its liquidity model and is comfortably placed to meet its repayment obligations for the entire year.

RESOURCE MOBILISATION

Share Capital: As on March 31, 2024, the issued and paid-up Equity Share Capital of the Company stood at ₹ 163.99 crore consisting of 16.39 crore Equity Shares of ₹ 10 each.

Term Loan: For FY 2023-24, the Company availed term loans amounting to ₹ 2,971.00 crore with an average tenure around of 4 years.

Assignment of Loan Portfolio/Co-Lending: For FY 2023-24, the Company has done assignment of portfolio/co-lending to the tune of ₹ 2,242.21 crore.

Non-Convertible Debentures (NCDs): For FY 2023-24, the Company has issued NCDs (Including Subordinated Debentures of ₹ 50 crore) to the tune of ₹ 575 crore.

CREDIT RATINGS

For FY 2023-24, the below credit rating was obtained from:

Acuite Ratings & Research

Acuite has reaffirmed its long-term rating of 'ACUITE AA-' (read as ACUITE double A minus) on the ₹ 4,500 crore bank facilities with 'Stable' Outlook.

Acuite has assigned its long-term rating of 'ACUITE AA-'(read as ACUITE double A minus) on the ₹ 1,500 crore bank facilities with 'Stable' Outlook.

Acuite has reaffirmed its short-term rating of 'ACUITE A1+' (read as ACUITE A one plus) on the ₹ 300 crore Commercial Paper Programme.

CARE Ratings

CARE has upgraded its rating to CARE AA- (read as Double A Minus) on the ₹ 8,000 crore Long Term Bank Facilities with 'Stable' Outlook.

CARE has upgraded its rating to CARE AA- (read as Double A Minus) on the ₹ 650 crore Non-Convertible Debenture (NCD) Issue with 'Stable' Outlook.

CARE has reaffirmed its rating of CARE A1+ (read as A One Plus) on the ₹ 250 crore Commercial Paper Issue.

CARE has upgraded its rating to CARE PP-MLD AA- (read as Principal Protected-Market Linked Debentures Double A Minus) on the ₹ 300 crore Principal Protected Market Linked Debenture (MLD) Issue with 'Stable' Outlook.

CARE has upgraded its rating to CARE AA- (read as Double A Minus) on the ₹ 400 crore Subordinated bonds Facilities with 'Stable' Outlook.

CAPITAL MANAGEMENT

MAS is committed to maintaining a strong and stable financial position, with a focus on maximizing returns on capital employed while adhering to RBI guidelines. The Company employs prudent capital management strategies to achieve this objective and continuously seeks to improve its practices in order to strengthen its balance sheet. By maintaining a healthy balance between risk and return, MAS can provide sustainable value to its stakeholders while maintaining a stable and robust financial position.

CREDIT AND RISK MANAGEMENT

MAS acknowledges that risk management is a crucial aspect of its operations. The Company recognises that risks can originate from both internal and external sources, and has instituted various measures to identify, evaluate, and mitigate these risks.

MAS defines its risk appetite, functional policies, and key risk indicators (KRIs) to explicitly determine the level and nature of risk that it is willing to take. The Company's risk management structure proactively identifies and addresses risks through risk assessment, a risk catalogue, a risk appetite framework, risk planning, risk culture, internal controls, and good governance.

To mitigate credit risk, MAS has developed customized credit analysis procedures for each product based on customer nature, loan purpose, and loan amount. The risk and collection department continuously align credit and collection policies, and resourcing, obtaining external data from credit bureaus, and regularly reviewing portfolios and delinquencies by senior and middle management teams. Additionally, MAS maintains sufficient spreads, offers relatively short tenure loans, and resets lending rates periodically to mitigate the risk of interest rate volatility.

At the end of FY 2023-24, the net NPAs of the Company stood at 1.51% of total AUM. During the year under consideration, it has extended loans with an average tenure of 19 months. Besides, MAS has a well-diversified portfolio of borrowers within its business segments. The inter-segment and intra- segment diversity applies to a very large market size, serves as a very potent protection against market risks that could occur due to various macro-economic developments. Moreover, the Company on a regular basis tracks the market

developments and undertakes appropriate actions whenever required.

OPPORTUNITIES & THREATS

MAS constantly monitors the external environments and internal situation so that it is aware of the opportunities and threats that emerge. This enables the Company to tap into the positive prospects that come its way while overcoming or bypassing the challenge of threats.

Opportunities

- Diverse loan book and pan-India presence to accelerate growth
- Unique Business Model helps to minimise risk and operating cost
- Adequate capitalisation to support medium-term growth plans
- Brand recognition among lower income and middle-income groups of the society spread across urban, semi urban, and rural areas
- Operates in underpenetrated business segment with huge growth potential
- Successful track record of catering to the MSME sector
- Initiatives by the Government to further boost MSME sector

Threats

- Unpredictable policy changes by the Government
- Increasing competition from local and global players
- Higher exposure to semi-formal and informal sector customers

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

MAS has adequate internal controls and standardized operating processes that are envisaged to protect assets and business efficiency. The Company has established strong and well-entrenched internal control procedures commensurate with its size and operations and relevant to its broad domain of the lending business.

Internal financial controls have been developed for and implemented at every business process across the Company. This ensures strict adherence and compliance with statutes and laws. Checks and balances and control systems have been established to ensure that assets are safeguarded, utilised with proper authorization, and recorded in the books of account. The Company takes a complete view of the credit assessment process by framing credit screens based on reliable demographic data and strict adherence of the same with an element of adaptability. At the same time, there is no compromise on the fundamentals of extending credit, where it is due. MAS is continuously strengthening its due diligence, audit process, evaluation, and the exposure matrix for all its NBFC partners. Internal controls also include regular monitoring of operational expenditure with an endeavor to bring it down through improved efficiencies. The efficacy and adequacy of internal controls and their execution are driven by the ethos of striving for constant improvement. The Company's Audit Committee reviews the internal control system and looks into the observations of the statutory and internal auditors. This includes a review of policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business and fixing responsibility against all the controls. The management tests the controls across processes and redressal of any deviations in business operations is undertaken. The Audit function provide reasonable assurance regarding the effectiveness and efficiency of operations, safeguarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations.

HUMAN RESOURCES

MAS recognizes the crucial role played by its employees in driving its growth and success. To this end, the Company prioritizes providing a supportive work environment that fosters employee satisfaction and motivation to achieve both personal and professional goals. MAS has cultivated an inclusive work culture that values responsibility and instils a sense of pride in its employees, resulting in a high retention rate.

The Company regularly reviews its business and people policies to identify opportunities for improvement. It has implemented strong talent management practices that include development programs, productivity initiatives, and reward mechanisms aimed at achieving organisational goals and retaining employees. Furthermore, MAS is committed to supporting the continuous growth and development of its workforce through Learning & Organisational Development initiatives.

MAS also upholds the highest standards of corporate governance, with its leaders and management team demonstrating proactive involvement in the Company's strategic direction. The senior management team consists of seasoned lending professionals with long-standing associations with MAS.

As on March 31, 2024, the employee strength of the Company stood at 1,590 on a standalone basis.

OUTLOOK

NBFCs are becoming increasingly important players in the financial sector, as they cater to the needs of previously overlooked or underserved segments of the population. Their market share and product range are expected to expand as they target this vast and growing segment. Digital tools and technology are already being used by NBFCs to enhance their efficiency and customer outreach, and their clients will continue to use their services as they rise in economic status, provided they have positive experiences and are offered suitable products.

In this dynamic landscape, MAS has a clear path forward in terms of its approach to asset creation and liability management. It plans to continue serving the LIG and MIG class of customers in rural, semi-urban, and urban areas, focusing on SME, wheels portfolio and housing finance as key growth drivers. The Company intends to prioritize asset quality and profitability to enhance shareholder value, with growth expected to remain in the range of 20% to 25% over the next five years.

To achieve this growth and maintain healthy returns, MAS seeks to strengthen its distribution network in existing states and explore potential opportunities in new geographies. It plans to maintain an ideal debt resource mix and ensure continuous flow of funds while optimizing the use of capital. The Company also prioritizes operational excellence and is committed to learning and improving efficiency in all areas of operation.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of MAS, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Company's Annual Report FY 2023-24.

Annexure- I

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors' Report for the year ended on March 31, 2024.

This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Regulations'), as applicable to the Company.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective Corporate Governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the stakeholders, shareholders, employees and customers. Good Corporate Governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the organization; It enhances long term Shareholders value through assisting the top management in taking sound business decisions and prudent financial management and achieving transparency and professionalism in all decisions and activities of the Company.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to corporate governance and the Regulations of RBI issued for NBFCs vide Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the 'NBFC Regulations'), as applicable to the Company.

Good Corporate Governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the Company and its shareholders and should facilitate effective monitoring. The Company acutely and consistently reviews its systems, policies and internal controls with an objective to establish sound risk management system and impeccable internal control system.

BOARD OF DIRECTORS:

At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

CONSTITUTION OF BOARD:

The Company's policy encourages having an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

a) The Board of the Company comprises seven (7) Directors out of which one (1) is Promoter Executive Director, one (1) is Woman Executive Director, one (1) is Woman Independent Director and Four (4) are Independent Directors as on March 31, 2024, the details of which are as below:

Name of Directors	Designation	Category	Date of Appointment	Total Directorship including this Company	No. of Committee Membership/ chairman in other Domestic Companies including this Company^		No. of Equity Shares held as on March 31, 2024
					Chairman#	Members##	
Mr. Kamlesh Chimanlal Gandhi	Chairman & Managing Director (Promoter)	Executive Director	25/05/1995	6	-	-	1,90,21,524
Mrs. Darshana Pandya	Director & CEO (Non-Promoter, Non-Independent)	Executive Director	23/09/2016	5	-	3	58,338
Mr. Balabhaskaran*	Independent Director	Non – Executive Director	25/05/1995	5	1	2	2,835

Name of Directors	Designation	Category	Date of Appointment	Total Directorship including this Company	No. of Committee Membership/ chairman in other Domestic Companies including this Company^		No. of Equity Shares held as on March 31, 2024
					Chairman#	Members##	
Mr. Chetan Ramniklal Shah*	Independent Director	Non – Executive Director	06/06/2008	2	2	1	Nil
Mr. Umesh Rajanikant Shah	Independent Director	Non – Executive Director	21/12/2016	1	-	1	750
Mrs. Daksha Niranjan Shah	Independent Woman Director	Non – Executive Director	14/03/2019	7	-	2	-
Mr. Narayanan Sadanandan	Independent Director	Non – Executive Director	21/06/2023	2	-	-	-

^ Committee includes Audit Committee and Stakeholder Relationship Committee across all Public Companies.

* Mr. Balabhaskaran & Mr. Chetan Shah ceased to be Directors of the Company due to completion of tenor with effect from close of business hours of March 31, 2024.

Details of Chairman in Committees:

Director	Committee
Mr. Balabhaskaran	1. Audit Committee – MAS Rural Housing & Mortgage Finance Limited
Mr. Chetan Shah	1. Audit Committee – MAS Financial Services Limited 2. Stakeholder Relationship Committee – MAS Financial Services Limited

Details of Membership in Committees:

Name of Director	Membership in Committees
Mr. Balabhaskaran	1. Audit Committee - MAS Financial Services Limited 2. Stakeholder Relationship Committee - MAS Financial Services Limited
Mr. Umesh Shah	1. Audit Committee – MAS Financial Services Limited
Mr. Chetan Shah	1. Audit Committee – MAS Rural Housing & Mortgage Finance Limited
Mrs. Darshana Pandya	1. Audit Committee – MAS Financial Services Limited 2. Stakeholder Relationship Committee – MAS Financial Services Limited 3. Audit Committee – MAS Rural Housing & Mortgage Finance Limited

None of the above Directors bear inter-se relation with other Directors.

The composition of Board complies with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

None of the Directors on the Board holds directorships in more than seven listed companies and none of the Independent Director serves as an Independent Director on more than seven listed companies.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

b) Names of the other listed entities where the person is a Director and the Category of Directorship:

Names of Directors	Name of the listed entities	Category of Directorship
Mrs. Daksha Shah	Sadbhav Infrastructure Project Limited	Non-Executive - Independent Director

Board Meetings:

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional board meetings are convened, as and when required, discussing and deciding on various business policies, strategies and other businesses. The Board meetings are held at Ahmedabad.

During the year under review, Board of Directors of the Company met 8 (Eight) times, viz April 19, 2023, May 10, 2023, June 21, 2023, August 02, 2023, November 01, 2023, January 10, 2024, January 17, 2024 and January 24, 2024. The gap between two consecutive meetings has been less than one hundred and twenty days.

During the year, two circular resolutions were passed by the Board of Directors of the Company with requisite majority on June 12, 2023 and September 28, 2023.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Name of Directors	No. of Board meeting held during the year (2023-24)	No. of Board meeting held during the year (2023-24)	Attended the previous AGM (Yes or No)
Mr. Kamlesh C. Gandhi	8	8	Yes
Mrs. Darshana Pandya	8	8	Yes
Mr. Balabhaskaran	8	8	Yes
Mr. Chetan R. Shah	8	8	Yes
Mr. Umesh R. Shah	8	8	Yes
Mrs. Daksha N. Shah	8	8	Yes
Mr. Narayanan Sadanandan*	8	5	Yes

* Mr. Narayanan Sadanandan was appointed with effect from June 21, 2023. No. of meetings attended is calculated based on the number of Board meetings attended post his appointment.

Directorship & Membership of Board / Committees as on March 31, 2024:

Name of Directors	Directorship	Category	*No. of Committees
Mr. Kamlesh Chimanlal Gandhi	1. MAS Financial Services Limited#	Executive Director	-
	2. MAS Rural Housing & Mortgage Finance Limited	Executive Director	-
	3. Prarthna Marketing Private Limited	Executive Director	-
	4. Swalamb Mass Financial Services Ltd	Executive Director	-
	5. Finance Industry Development Council	Non-Executive Director	-
	6. MASfin Insurance Broking Private Limited	Executive Director	-
Mrs. Darshana Pandya	1. MAS Financial Services Limited#	Executive Director	Audit Committee – Member SRC - Member
	2. MAS Rural Housing & Mortgage Finance Limited	Executive Director	Audit Committee – Member
	3. Swalamb Mass Financial Services Ltd.	Executive Director	-
	4. Prarthna Marketing Private Limited	Executive Director	-
	5. MASfin Insurance Broking Private Limited	Executive Director	-
Mr. Balabhaskaran^	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee – Member SRC - Member
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	Audit Committee – Chairman Nomination & Remuneration Committee - Chairman
	3. Swalamb Mass Financial Services Ltd	Non - Executive Director	-
	4. Kesavan Chandrika Foundation	Non - Executive Director	-

Name of Directors	Directorship	Category	*No. of Committees
Mr. Chetan Ramniklal Shah^	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Chairman Nomination & Remuneration Committee – Member SRC - Chairman
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee - Member
Mr. Umesh Rajanikant Shah	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee – Chairman
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	Audit Committee – Chairman Nomination & Remuneration Committee – Member
Mrs. Daksha Niranjan Shah	1. MAS Financial Services Limited#	Non - Executive Director	-
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	-
	3. Saline Area Vitalisation Enterprise Limited	Non - Executive Director	-
	4. Sadbhav Infrastructure Project Limited#	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee – Member Stakeholders Relationship Committee - Member
	5. Altura Financial Services Limited	Executive Director	-
	6. Sadbhav Jodhpur Ring Road Private Limited	Non - Executive Director	-
	7. Sadbhav Kim Expressway Private Limited	Non - Executive Director	-
Mr. Narayanan Sadanandan	1. MAS Financial Services Limited#	Non - Executive Director	-
	2. Allied Blenders and Distillers Limited		

* Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee (SRC) across all Public Companies.

Securities of the Entity are listed on Stock Exchange.

^ Retired w.e.f. closing of business hours of March 31, 2024.

List of Matrix/chart of special skill:

Sr. No.	Name of the Directors	Skills/Expertise identified by the Board	Specialization
1.	Mr. Kamlesh C. Gandhi	• Management & Governance • Financial Services • Integrity • Ability to function as Team • Leadership Quality • Commitment • Future Vision & Innovation	Mr. Kamlesh C. Gandhi is a proficient and experienced industry practitioner with a brilliant track record, which includes over two decades of managing and propelling the MAS Group's growth. He manages the Company with the guidance and support of the Board and his own understanding and vision are among the key enablers for the consistent performance of the Company. He is the member of Banking and Finance taskforce of Gujarat Chambers of Commerce and Industry, Chairman of Gujarat Finance Company Association, Co-Chairman of FIDC, an industry body of NBFCs, Co-Chairman of ASSOCHAM MSME Development Council and a member of SME Chamber of India. He is also the Managing Trustee of Smt. Urmilaben Chimanlal Gandhi Foundation. The Foundation currently contributes towards the financial needs in health care and education.
2.	Mrs. Darshana Pandya		She is having vast experience in Finance sector for past 27 years. She is a commerce graduate who joined the Company in 1996 as a junior executive and through her hard work, immaculate working and determination to excel, accompanied by enabling support from the management; rose to the level of Director & CEO. She is very dedicated towards her roles & responsibilities. She is having good exposure in the Finance sector. During her career span, she has successfully established and led many innovative services which have led the organization grow. (i.e. created value in the organization). She is responsible for leading the operations at MAS and also the relationship of the company with its More than 175 NBFC-MFI & NBFC Partners.
3.	Mr. Balabhaskaran*		He has over 27 years of professional experience and has in the past held various positions with Shanti Business School as Director, PGDM, Gujarat Industrial Investment Corporation Limited as Senior Manager (Overseas Cell), Jyoti Limited as the Corporate Planning Officer, Bihar State Credit & Investment Corporation Private Limited as Development Officer, Indian Institute of Management as a researcher, Tata Merlin & Gerin Limited as Junior Engineer, Khira Steel Works Private Limited as Trainee Industrial Engineer, and Reunion Engineering Company Private Limited as Trainee Engineer. He holds a bachelor's of technology degree in electrical engineering (power) from Indian Institute of Technology, Madras, a post graduate diploma in management from Indian Institute of Management, Bangalore and a doctorate in management from Sardar Patel University. He is also a qualified chartered financial analyst registered with the Institute of Chartered Financial Analysts of India. The Company is benefitted from the valuable experience, knowledge and Expertise of Mr. Balabhaskaran.
4.	Mr. Chetan R. Shah*		He has over 38 years of experience in the financial services sector and has in the past worked with the Natpur Co-Operative Bank as the Manager – Finance. He holds bachelor's degrees in commerce and law (general) from Gujarat University and He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India. The Company is benefitted from the valuable experience, knowledge and Expertise of Mr. Chetan R. Shah.

Sr. No.	Name of the Directors	Skills/Expertise identified by the Board	Specialization
5.	Mr. Umesh R. Shah		He has more than three decades of experience in the diversified fields connected with Finance, Accounting, Auditing and Taxation. He is Bachelor of Commerce and Chartered Accountant holding membership of the Institute of the Chartered Accountants of India (ICAI). The Company is benefitted from the valuable experience, knowledge and Expertise Mr. Umesh R. Shah.
6.	Mrs. Daksha N. Shah		She has rich experience of more than three decades in diversified fields of Textile, Chemical and Financial services. She worked as a Programme Director of Vikas Centre for Development and Friends of Women's World Banking by serving and building capacity of more than 80 Microfinance Organizations all over India. She has served on the Board of various MFIs as well as Trustee of various Trusts involved in social and humanitarian work. She worked as Managing Director of Pahal Financial Services Pvt. Ltd from 2011 to 2014. At present she is the Managing Director of Altura Financial Services Ltd since 2014. She is a business graduate from Indian Institute of Management (IIM), Ahmedabad, specializing in Finance and Marketing and also a student of Economics and Statistics. She has undergone various courses such as the course in Microfinance at the Economic Institute, Boulder, Colorado, USA. The Company is benefitted from the valuable experience, knowledge and expertise of Mrs. Daksha N. Shah.
7.	Mr. Narayanan Sadanandan		He has vast experience of more than 4 decades in all facets of banking, expertise in Fund Management, Investment Banking, Correspondence & International Banking, Corporate, Commercial and Retail (including MSME) Banking. He is also an advisor-Equity Capital market, SBI Capital Markets ltd and Ex MD &CEO-SBI Pension funds Private ltd. He holds bachelor's degrees in commerce from University of Madras (1982) and Certificate Associate of Indian Institute of Bankers (1990). He has completed two Groups in Intermediate Examination of the Institute of Cost and Works Accountants of India (ICWA). Currently, he is also an Independent Director in Allied Blenders and Distillers Ltd and a Senior Advisor, Modulus Alternative Investment Management Ltd. The Company is benefitted from the valuable experience, knowledge and expertise of Mr. Narayanan Sadanandan.

* Retired w.e.f. closing of business hours on March 31, 2024.

In the opinion of the Board, the independent directors fulfill the conditions specified in Listing Regulations and are Independent of the Management.

No Independent Director has resigned before the expiry of their tenure during the year; therefore there is no requirement to make any disclosure in the said matter.

Independent Directors and Evaluation of Directors and the Board:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has Five Independent Directors in line with the Companies Act, 2013 and the provisions of Listing Regulations. The terms and conditions of appointment of Independent Directors and Code for Independent Directors are hosted on the website of the Company at www.mas.co.in. The Company has received necessary declaration from each Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 alongwith in compliance in Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 25 (8) & (9) of Listing Regulations.

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and of each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

A separate meeting of Independent Directors was held on March 27, 2024 to review the performance of Non-Independent Directors and Board as whole.

Familiarization Programme:

The Company has adopted the Familiarization Programme to familiarize Independent Directors of the Company. The Company has held programmes for the Independent Directors and some of such programmes carried out during the year were as under:

- Various presentations were made by the Senior Executives, Statutory Auditor inter alia, about the business of the Company and of its subsidiaries from time to time, on different functions and areas, with special reference to the nature of the industry in which these companies operate.
- Deliberations were held and presentations were made from time to time on major development in the areas of the Companies Act 2013, notifications including amendments in existing regulations issued by the Securities and Exchange Board of India (SEBI), and amendments in circular of Reserve Bank of India (RBI).
- Presentation related to the Risk Management Framework including technological risk, operational risk, financial risk, market risk, compliance risk, etc.;
- The regular meeting of the Independent Directors is being held with Executive Directors to interact with the strategy, operation and functions of the Company. Further, the Independent Directors are provided with opportunity to interact with the Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Company conducted 05 (Five) programmes during the year 2023-24 and the time spent by Independent Directors was in the range of 1- 2 hours.

It may be noted further that the independent directors of the Company being persons of great eminence and expertise were already well conversant with the business and functioning of the Company, as also with other aspects referred to in the above-said regulation. Further, considering the variety of programmes conducted for the independent directors, the particulars of number of programmes, numbers of hours spent in such programmes & such other details of familiarization programmes are not being provided separately.

The Familiarization Programme, as adopted by the Board, has been uploaded on the website of the Company at www.mas.co.in and the same can be accessed through the weblink: https://mas.co.in/policy.aspx.

Details of Committees

A. Audit Committee:

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. Audit Committee meetings are generally held once in a quarter for the purpose of recommending the quarterly / half yearly / yearly financial result and the gap between two meetings did not exceed one hundred and twenty days. Additional meetings are held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met 5 (Five) times on May 09, 2023, August 01, 2023, October 31, 2023, January 23, 2024 and March 27, 2024.

The composition of the Committee and the details of meetings attended by its members as March 31, 2024 are given below:

Name	Designation	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Chetan Shah	Chairman	5	5
Mr. Balabhaskaran	Member	5	5
Mr. Umesh Shah	Member	5	4
Mrs. Darshana Pandya	Member	5	5

On account of tenure completion of Mr. Bala Bhaskaran and Mr. Chetan Shah, Independent Directors of the Company ceased to be a member of Audit Committee with effect from close of business hours on March 31, 2024, the Board of Directors in their meeting held on January 24, 2024 has re-constituted the Audit Committee effective from April 1, 2024:

Sr. No.	Name	Designation	Chairman/ Member
1	Mr. Umesh Shah	Independent Director	Chairman
2	Mrs. Darshana S. Pandya	Executive Director	Member
3	Mrs. Daksha Shah	Independent Director	Member
4	Mr. Narayanan Sadanandan	Independent Director	Member

The Statutory Auditors and Internal Auditors of the Company are invited in the meeting of the Committee wherever required.

Mr. Chetan Shah, the Chairman of the Audit Committee had attended last Annual General Meeting of the Company held on July 26, 2023.

The Company Secretary & Chief Compliance Officer acts as the Secretary to the Committee.

Recommendations of Audit Committee have been accepted by the Board of wherever/whenever given.

A. Broad terms of Reference:

The role of the audit committee shall include the following:

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

(23) The Committee shall review compliance with the provisions of Securities and Exchange Board of Indian (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

(24) The Committee shall review & recommend any variation in the remuneration of CMD, CEO and CFO.

B. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. statement of deviations:
   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

B. Nomination and Remuneration Committee:

The Company has formed Nomination and Remuneration Committee in line with the provisions Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Director or Key Managerial Personnel and may be appointed in senior management and recommending their appointments and removal and also to review key result areas and key performance expected from the directors during the quarters and to review remuneration paid to the directors, key managerial personnel and senior management team. During the year under review, the members of Nomination and Remuneration Committee met 6 (Six) times on May 09, 2023, June 21, 2023, August 01, 2023, October 31, 2023, January 23, 2024 and March 27, 2024.

The composition of the Committee and the details of meetings attended by its members as on March 31, 2024 are given below:

Name	Designation	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Umesh Shah	Chairman	6	5
Mr. Chetan Shah	Member	6	6
Mr. Balabhaskaran	Member	6	6

On account of tenure completion of Mr. Bala Bhaskaran and Mr. Chetan Shah, Independent Directors of the Company ceased to be member of NRC Committee with effect from close of business hours on March 31, 2024, the Board of Directors in their meeting held on January 24, 2024 has re-constituted the Nomination and Remuneration Committee effective from April 1, 2024:

Sr. No.	Name	Designation	Chairman/ Member
1	Mrs. Daksha Shah	Independent Director	Chairman
2	Mr. Umesh Shah	Independent Director	Member
3	Mr. Narayanan Sadanandan	Independent Director	Member

Broad terms of reference:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(1A) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

(4) To carry out evaluation of Director's performance.

(5) To recommend to the Board the appointment and removal of Directors and Senior Management.

(6) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

(7) To devise a policy on Board diversity, composition, size.

(8) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(9) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

(10) To oversee the framing, review and implementation of Compensation Policy as and when applicable.

(11) To work in close coordination with Risk Management Committee (RMC) of the Company to achieve effective alignment between compensation and risks.

(12) To ensure 'fit and proper' status of proposed/ existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management

(13) To perform such other functions as may be necessary or appropriate for the performance of its duties.

In compliance with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has devised a policy on diversity of Board of Directors of the Company. The policy sets out the approach of the Company ensuring the diversity on the Board of Directors of the Company and enhances its effectiveness whilst discharging its fiduciary obligations toward the shareholders of the Company. The Nomination and Remuneration Committee ('the NRC') of the Company will be responsible for review and assess board composition and performance of the Board and as well as identifying appropriately qualified person to be designated as Director on the Board of the Company in accordance with the applicable laws.

The policy is hosted on the website of the Company viz https://www.mas.co.in/policy.aspx

Remuneration of Directors:

The Company has not entered into any pecuniary relationship or transactions with Non-Executive Directors of the Company.

Further, criteria for making payment, if any, to non-executive directors are provided under the Nomination and Remuneration Policy of the Company and criteria of making payment to the Non –Executive/Independent Director(s) is hosted on the website of the Company viz https://www.mas.co.in/policy.aspx

During the year under review, the Company has paid remuneration to Executive Directors of the Company, details of which are as under:

Sr. No.	Name of Directors	Designation	Component of payment	Remuneration paid (Amount in ₹ Lakh)
1.	Mr. Kamlesh Gandhi	Chairman & Managing Director	Salary (including bonus)	631.45
2.	Mrs. Darshana Pandya	Director & CEO	Salary (including bonus)	87.45

During the year under review, the Company has paid Sitting fees to Non – Executive Independent Directors of the Company, details of which are as under:

Sr. No.	Name of Directors	(Amount in ₹)
1.	Mr. Bala Bhaskaran	8,75,000
2.	Mr. Chetan Shah	9,75,000
3.	Mr. Umesh Shah	7,75,000
4.	Mrs. Daksha Shah	4,50,000
5.	Mr. Narayanan Sadanandan	2,75,000

The remuneration of the Executive Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration Policy within the limit approved by the Board and Members.

The Company believes that non-executive director's compensation must reflect the time, effort, attendance and participation in Board and Committee meetings. The payment which is proportionate to attendance ensures directors' remuneration is commensurate with their time, effort, attendance and participation. Accordingly, the sitting fees previously paid to the Independent Directors were fixed amount of ₹ 25,000/- per committee meeting & ₹ 50,000/- per Board meeting.

No other performance linked incentives or any other fees are paid to any of the Directors.

The Company has not entered into any Service Contract with the Directors, except agreement with the Managing Director entered with Mr. Kamlesh C. Gandhi who is the Managing Director and Whole-Time Director agreement with Mrs. Darshana Pandya who is the Whole-time Director of the Company.

The Notice Period of the Executive Directors of the Company is 6 months. Further, there is no notice period for the Independent Directors of the Company.

The Company does not pay any severance fees to any of the Directors.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable.

C. Stakeholder's Relationship Committee:

The Company has constituted Stakeholder's Relationship Committee in pursuance to the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

During the year under review, Stakeholder's Relationship Committee 4 (Four) times on May 09, 2023, August 01, 2023, October 31, 2023 and January 23, 2024.

The composition of the Committee and the details of meetings attended by its members as on March 31, 2024 are given below:

Name	Designation	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Chetan Shah	Chairman	4	4
Mrs. Darshana Pandya	Member	4	4
Mr. Balabhaskaran	Member	4	4

On account of tenure completion of Mr. Bala Bhaskaran and Mr. Chetan Shah, Independent Directors of the Company ceased to be member of SRC Committee with effect from close of business hours on March 31, 2024, the Board of Directors in their meeting held on January 24, 2024 has re-constituted the Stakeholder's Relationship Committee effective from April 1, 2024:

Sr. No.	Name	Designation	Chairman/ Member
1	Mr. Narayanan Sadanandan	Independent Director	Chairman
2	Mrs. Darshana Pandya	Executive Director	Member
3	Mr. Umesh Shah	Independent Director	Member

Complaint

During the year, the Company had not received any complaints from the Shareholders of the Company. Therefore, there was no complaint pending as on March 31, 2024.

Name and designation of the Compliance Officer and the Investor Grievances Officer

Ms. Riddhi Bhaveshbhai Bhayani
Company Secretary and Chief Compliance Officer
6, Narayan Chambers, Ground Floor,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009
E-Mail: greivance@mas.co.in
Phone: +91-79-41106638

Broad terms of reference:

1. Resolving the grievances of the security holders including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal, the Company has no transfers pending at the closure of the financial year. The Committee shall also review services rendered by the Registrar & Share Transfer Agent;
4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

D. Risk Management Committee:

The Company has constituted Risk Management Committee in pursuance to the Regulation 21 of Listing Regulations as amended, to assess the risk associated, mitigation of such risk and formulation of Risk Management Plan.

During the year under review, Risk Management Committee has 4 (Four) times on May 09, 2023, August 01, 2023, October 31, 2023 and January 23, 2024.

The composition of the Committee and the details of meetings attended by its members as on March 31, 2024 are given below:

Name	Designation	Number of meetings during the financial year 2023-24	
		Held	Attended
Mr. Chetan Shah	Chairman	4	4
Mr. Umesh Shah	Member	4	4
Mrs. Darshana Pandya	Member	4	4

On account of tenure completion of Mr. Chetan Shah, Independent Director of the Company ceased to be member of Risk Management Committee with effect from close of business hours on March 31, 2024, the Board of Directors in their meeting held on January 24, 2024 has re-constituted the Risk Management Committee effective from April 1, 2024:

Sr. No.	Name	Designation	Chairman/ Member
1	Mr. Umesh Shah	Independent Director	Chairman
2	Mrs. Darshana Pandya	Executive Director	Member
3	Mrs. Daksha Shah	Independent Director	Member

Chief Risk Officer: Mr. Nishant Jain

Board Terms of Reference:

1. To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business Continuity Plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. To work in close coordination with Nomination and remuneration Committee (NRC) of the Company to achieve effective alignment between compensation and risks

In compliance with the Reserve Bank of India Circular No. DNBR (PD) CC.No.099/03.10.001/2018-19 dated May 16, 2019 the Company had appointed Mr. Nishant Jain as the Chief Risk Officer of the Company, in order to carry out all functions and discharge all responsibilities as per the terms of the aforesaid RBI circular.

E. Particulars of Senior Management:

The Nomination & Remuneration Committee of the Company is responsible for identifying persons who are qualified to be appointed in senior management. In terms of section 178 of the Act, the Committee has formulated criteria for the appointment of personnel in senior management comprising attributes viz., personal traits, competencies, experience and background. These attributes are considered for nominating candidates for senior management position.

The details of Directors/ Key Management Personnel of the Company as on March 31, 2024 are as follows:

Sr. No.	Name	Designation	Category
1	Mr. Kamlesh Gandhi	Chairman and Managing Director	KMP
2	Mrs. Darshana Pandya	Director & Chief Executive Officer	KMP
3	Mr. Ankit Jain	Chief Financial Officer	KMP
4	Ms. Riddhi Bhayani	Company Secretary & Chief Compliance Officer	KMP

During the year, there was no change in the Senior Management of the Company since the close of the previous financial year. List of Senior Management Personnel of the Company as on March 31, 2024 are as below:

Sr. No.	Name	Designation	Category
1.	Mr. Saumil Pandya	President	SMP
2.	Mr. Dhvanil Gandhi	Executive Vice President	SMP
3.	Mr. Nishant Jain	CRO	SMP
4.	Mr. Dipak Dangar	COO – RAC	SMP
5.	Mr. Bhavesh Patel	Head – Accounts	SMP
6.	Mr. Sunil Shah	Portfolio Management	SMP
7.	Mr. Gaurang Kasudia	EDP	SMP
8.	Mr. Rajen Shah	CIO/CTO	SMP
9.	Mr. Bharat Aswani	Credit Head	SMP
10.	Ms. Deepika Agrawal	Internal Audit Manager	SMP
11.	Mr. Hitesh Ganatra	HRD	SMP

Further, the Company has a mechanism in place for ensuring orderly succession of appointments to the Board and to senior management positions.

F. General Body Meetings

a. Annual General Meetings:

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2022-23	July 26, 2023	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	3
2021-22	August 24, 2022	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	3
2020-21	August 25, 2021	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	Nil

Following Special Resolutions were passed through remote E-voting and e-voting during the meeting, as per the procedure prescribed under Section 108 & Section 109 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011 under the overall supervision of the Scrutinizer, Mr. Ravi Kapoor, Practicing Company Secretary.

Resolution(s)	Details of Resolution(s)	Resolution(s) Passed on	Total No. of votes in favour	Total No. of votes against	% of votes in favour	% of votes against
Special	Re-appointment of Mr. Kamlesh C. Gandhi (DIN: 00044852) as the Managing Director of the Company	July 26, 2023	5,00,29,475	11,73,745	97.71	2.29
Special	Appointment of Mr. Narayanan Sadanandan (DIN: 07263104) as an Independent Director of the Company	July 26, 2023	5,12,02,969	251	100	0.00
Special	Alteration of Articles of Association of the Company	July 26, 2023	5,12,02,922	298	100	0.00
Special	Re-appointment Mr. Umesh Shah (DIN: 07685672) as an Independent Director of the Company for a term of 5 years.	August 24, 2022	4,92,43,864	4,86,166	99.02	0.98
Special	Approval for increasing the Borrowing Powers under Section 180(1)(c) upto ₹ 10,000 Crores	August 24, 2022	4,96,82,589	47,441	99.90	0.10
Special	Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a).	August 24, 2022	4,96,82,223	47,807	99.90	0.10

All of the aforesaid resolutions were passed by the shareholders by overwhelming and requisite majority.

b. Extra-Ordinary General Meeting

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2023-24	February 09, 2024	The Company had conducted the Extra-Ordinary General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	2

Following Special Resolutions were passed through remote E-voting and e-voting during the meeting, as per the procedure prescribed under Section 108 & Section 109 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011 under the overall supervision of the Scrutinizer, Mr. Ravi Kapoor, Practicing Company Secretary.

Resolution(s)	Details of Resolution(s)	Resolution(s) Passed on	Total No. of votes in favour	Total No. of votes against	% of votes in favour	% of votes against
Special	Amendment of the Object Clause of the Memorandum of Association of the Company by Deleting the Other Objects as mentioned in Clause III(C)	February 09, 2024	4,91,30,840	23	100	0.00
Special	Approval to raise Capital by way of a qualified institutions placement to eligible investors through an issuance of equity shares or other eligible securities for an amount aggregating upto ₹ 700 Crore.	February 09, 2024	4,91,07,016	23,846	99.95	0.05

All of the aforesaid resolutions were passed by the shareholders by overwhelming and requisite majority.

The Company has not passed any special resolution last year through postal ballot.

The Company has not proposed any Special Resolutions through Postal Ballot during the year under reference.

G. MEANS OF COMMUNICATION:

a. Financial Results:

The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as "Free Press Gujarat" in English and "Lok Mitra" in Gujarati language and are displayed on the website of the Company www.mas.co.in.

b. Website:

The Company's website www.mas.co.in contains a separate dedicated section namely "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company https://www.mas.co.in/annual-reports.aspx in a downloadable form.

c. Presentations/News Releases:

During the year under review, the Company has made presentations to institutional investors / to the analysts and it is available on the website of the Company https://www.mas.co.in/investor-presentation.aspx. Further, the Company has displayed official news releases which are available on company's website www.mas.co.in.

H. GENERAL SHAREHOLDERS INFORMATION:

a. Company Registration details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910GJ1995PLC026064.

b. Registered Office:

6, Narayan Chambers, Ground floor, B/H Patang Hotel Ashram Road, Ahmedabad – 380 009, Gujarat.

c. Date, time and venue of the 29th Annual General Meeting:

29th Annual General Meeting is to be held on Wednesday, September 11, 2024 at 11:30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

d. Financial Year:

Financial year is April 1, 2024 to March 31, 2025 and financial results will be declared as per the following schedule:

Particulars	Tentative Schedule
Quarterly Results	
Quarter ending on June 30, 2024	On or before August 14, 2024
Quarter ending on September 30, 2024	On or before November 14, 2024
Quarter ending on December 31, 2024	On or before February 14, 2025
Annual Result of 2024-25	On or before May 30, 2025

e. Dividend Payment:

The Company had paid an Interim Dividend of ₹ 3/- (Rupees Three only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (30%) aggregating to ₹ 16,39,86,129/- (Rupees Sixteen Crore Thirty Nine Lakh Eighty Six Thousand One Hundred Twenty Nine Rupees), during the financial year 2023-24. The same was declared by Board of Directors in their meeting held on January 10, 2024. The said dividend was paid on January 31, 2024.

Your Directors are pleased to recommend a Final Dividend of ₹ 0.51/- (Rupees Zero decimal Fifty One Paise Only) per Equity Share on 18,14,53,377 Equity Shares of ₹ 10/- fully paid up (5.10%) aggregating to ₹ 9,25,41,222.27/- (Rupees Nine Crore Twenty Five Lakh Forty One Thousand Two Hundred Twenty Two and Two Seven Paisa Only) for the Financial year 2023-24, subject to the approval of members in the ensuing Annual General Meeting of the Company. The payment of Final Dividend shall be paid to those members whose names appears in the Register of Members of the Company or in the records of depositories as beneficial owners of Equity Shares as on Wednesday, September 4, 2024. The payment of final dividend will be subject to deduction of tax at source as per the applicable rate.

Tax deducted at source (TDS) on dividend

As per the amended Income Tax Act, 1961, through the Finance Act, 2020, there will be no dividend distribution tax payable by the Company. The dividend, if declared, will be taxable in hands of the shareholders. For details, shareholders are requested to refer to the Notice of AGM.

Unclaimed dividend

Pursuant to the provisions of section 124(5) of the Companies Act, 2013 (the 'Act') and section 205A of the erstwhile Companies Act, 1956 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any amount transferred by the Company to the unpaid dividend account and which remained unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund') set up by Central Government.

Accordingly, the unpaid/unclaimed interim dividend for FY 2017-18, is due for transfer to the Fund in November 2024. Members are requested to verify their records and send their claim, if any, for the said year. Communication is being sent to those members, who have not yet claimed dividend requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The Company has also hosted the details of unclaimed/ unpaid dividend on its website at https://www.mas.co.in, which can be accessed through via link https://mas.co.in/dividendd.aspx

Transfer of shares to IEPF

Pursuant to the provisions of section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the **"IEPF Rules"**), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to Demat Account of the Authority of Investor Education and Protection Fund (**"IEPF"**), by the Company within a period of thirty days of expiry of said seven years.

In this regard, the Company has taken various steps on an ongoing basis to reach out to shareholders, through emails, and other means, whose shares are due to be transferred to IEPF on account of not claiming dividend for a consecutive period of seven years.

Members who have not claimed dividends from FY 2017-18 onwards are requested to approach the Company/Link Intime India Private Limited (RTA)/ their depositories to update their records and for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.

f. Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, September 5, 2024 to Wednesday, September 11, 2024 (both days inclusive) for the purpose of 29th Annual General Meeting.

g. Listing on Stock Exchanges:

The Company's Equity Shares are listed on the both the stock exchange details of the same are given below. The ISIN of the Company is INE348L01012.

Particulars	Tentative Schedule
BSE Limited PhirozeJeejeebhoy Towers Dalal Street Mumbai – 400001 Scrip Code: **540749**	**National Stock Exchange of India Limited** Exchange Plaza Plot No. C/1, G Block Bandra-Kurla Complex Bandra (East) Mumbai – 400051 Trading Symbol: **MASFIN**

The Company's Debt Securities are listed on BSE Ltd.

Annual listing fees for the year 2024-2025 have been paid by the Company to BSE Ltd. & National Stock Exchange of India Limited.

Month	Price of Company's Shares	
	High (In ₹) – BSE	Low (In ₹) - BSE
April, 2023	812.6	680
May, 2023	749.55	699
June, 2023	798.45	724
July, 2023	823.95	744
August, 2023	864.95	740.5
September, 2023	929.85	805.75
October, 2023	966.15	861.4
November, 2023	945.55	823.2
December, 2023	915.95	821.55
January, 2024	1066	864.25
February, 2024*	1047.7	265.5
March, 2024	344.9	270.3

* The Company issued and allotted bonus equity shares of the Company is the ratio of 2:1 on February 24, 2024

i. **The performance of the equity share price of the Company at Stock Exchange at BSE is as under:**

Month	MASFIN Share Price at BSE**	SENSEX**
April, 2023	700.75	61112.44
May, 2023	735.4	62622.24
June, 2023	778.15	64718.56
July, 2023	786	66527.67
August, 2023	817.25	64831.41
September, 2023	903.7	65828.41
October, 2023	878.35	63874.93
November, 2023	843.25	66988.44
December, 2023	869.75	72240.26
January, 2024	997.3	71752.11
February, 2024*	336.15	72500.3
March, 2024	284.35	73651.35

* The Company issued and allotted bonus equity shares of the Company is the ratio of 2:1 on February 24, 2024

** closing data on the last day of the month

Month	Company's Shares	
	High (In ₹) – NSE	Low (In ₹) – NSE
April, 2023	817.00	679.60
May, 2023	750.30	701.00
June, 2023	798.00	733.40
July, 2023	825.00	744.05
August, 2023	857.60	740.00
September, 2023	934.00	795.35
October, 2023	964.00	855.15
November, 2023	948.95	822.80
December, 2023	916.65	822.05
January, 2024	1,068.00	865.10
February, 2024*	1,048.00	317.55
March, 2024	343.50	269.45

* The Company issued and allotted bonus equity shares of the Company is the ratio of 2:1 on February 24, 2024

The performance of the equity share price of the Company at Stock Exchange at NSE is as under:

Month	MASFIN Share Price at NSE**	NIFTY**
April, 2023	699.95	18065
May, 2023	736.25	18534.4
June, 2023	777.45	19189.05
July, 2023	787.65	19753.8
August, 2023	816.6	19253.8
September, 2023	903.1	19638.3
October, 2023	876.8	19079.6
November, 2023	843.55	20133.15
December, 2023	869.75	21731.4
January, 2024	996.8	21725.7
February, 2024*	337.2	21982.8
March, 2024	284.35	22326.9

** closing data on the last day of the month

* The Company issued and allotted bonus equity shares of the Company is the ratio of 2:1 on February 24, 2024

j. Registrar & Transfer Agents

Link Intime India Private Limited Registered Office Address: C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel No.: +91 22 -49186200 Fax No.: +91 22 -49186195 Email: mas.ipo@linkintime.co.in Web: www.linkintime.co.in	Branch/Correspondence Address: 506 To 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellisbridge, Ahmedabad – 380006 Tel No.: +91 79 26465179 /86 / 87 Fax No.: +91 79 26465179

k. Share Transfer Procedure:

All the physical transfers of shares are processed by the Registrar and Share Transfer Agents and are approved by the Stakeholders' Relationship Committee.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains a Certificate from a Practicing Company Secretary on yearly basis, for due compliance of share transfer formalities.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996 and SEBI (Depositories and Participants) Regulations, 2018, a certificate have also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

l. Shareholding as on March 31, 2024:

a. Distribution of Shareholding as on March 31, 2024:

Range of No. of Shares	No. of Shareholders		Shares held	
From – To	Number	%	Number	%
1-5000	39517	86.7362	39258390	2.3940
5001-10000	3087	6.7757	22073190	1.3460
10001-20000	1768	3.8806	24660790	1.5038
20001-30000	521	1.1435	12977620	0.7914
30001-40000	175	0.3841	6055620	0.3693
40001-50000	107	0.2349	4803470	0.2929
50001-100000	192	0.4214	13026140	0.7943
100001 and above	193	0.4236	1517006070	92.5082
Total	**45,560**	**100**	**1,63,98,61,290**	**100.00**

b. Shareholding Pattern as on March 31, 2024:

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Demat		
Promoter and Promoter Group	-	12,09,01,962	12,09,01,962	73.73
Mutual Funds	-	1,09,17,867	1,09,17,867	6.66
Banks/FI/Central Govt./State Govts/ Trusts & Insurance Companies	-	5,83,176	5,83,176	0.36
Foreign Institutional Investors/ Portfolio Investor	-	29,40,149	29,40,149	1.79
NRI	-	9,28,892	9,28,892	0.57
Foreign Nationals	-	-	-	-
Foreign Companies	-	-	-	-

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Demat		
Bodies Corporate	-	18,43,131	18,43,131	1.12
Clearing Member	-	4,143	4,143	0.00
Directors / Relatives of Director	-	1,01,091	1,01,091	0.06
Indian Public / HUF	-	1,30,43,365	1,30,43,365	7.95
Trusts	-	-	-	-
NBFCs registered with RBI	-	1	1	0.00
Alternate Investment Funds	-	1,21,33,737	1,21,33,737	7.40
Others		5,88,615	5,88,615	0.36
Total	**-**	**16,39,86,129**	**16,39,86,129**	**100.00**

m. Dematerialization of Shares and Liquidity

The Company's shares are traded in dematerialized form. All the Equity shares of the Company are dematerialized as on March 31, 2024.

The Company's shares are traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE348L01012.

n. Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:

There is no outstanding ADR/GDR, Warrants, or any other convertible instrument likely impact on equity.

o. Commodity Price Risk / Foreign Exchange Risk and Hedging:

Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

p. Site location:

The Company is in service sector and does not have any Site / Plant locations. However, the Company operates from its Registered Office only and has 189 branches as on 31st March, 2024.

q. Address of Correspondence:

i) MAS Financial Services Limited
Ms. Riddhi Bhaveshbhai Bhayani
Company Secretary and Chief Compliance Officer
6, Narayan Chamber, Ground Floor,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009
E-Mail: riddhi_bhayani@mas.co.in
Phone: +91-79-41106638

ii) For transfer/dematerialization of shares, change of address of members and other queries:
Link Intime India Private Limited
Mr. Nilesh Dalwadi
506 to 508, Amarnath Business Centre – 1,
Beside Gala Business Centre,
Nr. St. Xavier's College Corner,
Off. Chimanlal Girdharlal Rd.,
Sardar Patel Nagar, Ellisbridge,
Ahmedabad – 380006
Tel No.: +91 79 26465179 /86 / 87
Fax No.: +91 79 26465179
Email: mas.ipo@linkintime.co.in
Web: www.linkintime.co.in

r. Credit Ratings:

We are pleased to announce that CARE Ratings Limited ('CARE') has upgraded Company's Long Term Bank Facilities and Non-Convertible Debentures rating to 'CARE AA- (Outlook: Stable) from the previous rating of 'CARE A+ (Outlook: Positive)'.

This rating upgrade reaffirms the high reputation and trust that the Company has earned for its sound financial management and its ability to meet financial obligations.

During the year, the rating agencies reaffirmed/issued/upgraded ratings of various facilities to the Company, as under:

Sr. No.	Name of the Instrument	Current Rating
1	Long Term Bank Facilities	ACUITE AA-; Stable
2	Commercial Papers	ACUITE A1+
3	Long Term Bank Facilities	CARE AA-; Stable
4	Commercial Papers issue	CARE A1+
5	Non Convertible Debentures	CARE AA-; Stable
6	Market Linked Debentures	CARE PP-MLD AA-; Stable
7	Subordinated Bond	CARE AA-; Stable

I. Other Disclosures:

a. There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in Notes to Financial Statements of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at www.mas.co.in.

b. Details of capital market non-compliance, if any :

- BSE Limited has imposed fine of ₹ 10,000/- + GST in the violation of Regulation 42(2)/42(3)/ 42(4)/42(5) non-compliance with ensuring the prescribed time gap between two record dates/ book closure dates and fine of ₹ 10,000/- + GST in the violation of Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, delay in submission of the notice of Record Date. The Company has paid the necessary fines with the Stock Exchange(s) for the said non-compliance.

There has been no delay or default in the payment of interest or principal to the debenture holders.

Apart from aforesaid penalty, no other penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI, Reserve Bank of India (RBI) or any other statutory authority, in any matter related to capital markets, during the last three years.

The response of the management for the aforesaid fine levied by the BSE has been mentioned in the Directors Report of the Company.

c. Penalty Imposed by RBI:

The Reserve Bank of India (RBI) has imposed penalty of ₹ 5000/- for non updation of CIBIL records within due timelines. The Company has paid requisite compensation of ₹ 5000/- to the Customer as instructed by RBI.

The response of the management for the aforesaid fine levied by the BSE has been mentioned in the Directors Report of the Company.

d. The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.mas.co.in.

e. The Company has complied with all mandatory requirements laid down by the Regulation 27 of the Listing Regulations. The non-mandatory requirements complied with wherever requires and the same has been disclosed at the relevant places.

f. The Company has two Subsidiary Companies and therefore, the Company has adopted Policy for determining Material Subsidiary which is uploaded on the website of the Company at www.mas.co.in and the weblink for the same is https://mas.co.in/policy.aspx

The details of Subsidiary Companies are as under:

Name of the Subsidiary Company	Date & Place of Incorporation	Statutory Auditors
MAS Rural Housing and Mortgage Finance Ltd.	July 24, 2007, Ahmedabad	M/s. MAAK & Associates has been appointed as Statutory Auditor of the Company on June 22, 2022
MASFIN Insurance Broking Private Limited	August 05, 2022, Ahmedabad	M/s. Mukesh M. Shah & Co. has been appointed as Statutory Auditor of the company on September 03, 2022

g. The Company has adopted Related Party Transactions Policy which is uploaded on the website of the Company at www.mas.co.in and the weblink of the same is https://mas.co.in/policy.aspx.

h. Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

i. Company has not raised funds through preferential allotment or qualified institutions placement therefore details regarding utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) is Not Applicable to the Company, except for the issuance of NCDs on a private placement basis.

j. The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2024 in compliance with

Regulation 17(8) of Listing Regulations. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of Listing Regulations.

k. A qualified Practicing Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

l. We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

m. There were no circumstances where board had not accepted any recommendation of any committee of the board during the year.

n. Total fees paid for the services to the statutory auditors is ₹ 58/- Lakh for the financial year 2023-24.

Particulars	Amount in Lakhs
Statutory audit	24.00
Limited review of quarterly results	31.00
Other Services	3.00
Reimbursements of expenses	-
Total	**58.00**

o. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted a Special Complaints Committee. During the year 2023-24, no complaints were received by the Committee.

p. disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

Sr. No.	Name of the Senior Management Personnel	Nature of Transaction	Amount
	Nil		

q. The Company has also adopted Material Events Policy, and Policy on Preservation of Documents which is uploaded on the website of the Company at www.mas.co.in and the weblink of the same is https://mas.co.in/policy.aspx.

r. Details of the familiarization programme of the independent directors are available on the website of the company at www.mas.co.in and the weblink of the same is https://mas.co.in/policy.aspx.

s. With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading www.mas.co.in.

t. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has obtained a certificate affirming the compliance of Conditions of Corporate Governance from Practicing Company Secretary, CS Ravi Kapoor and the same is attached to this Report.

u. The Company has executed the Listing Agreement with the BSE Ltd. and the National Stock Exchange of India pursuant to Listing Regulations.

v. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking appointment/re-appointment at the forthcoming AGM are mentioned and in the Annexure to the Notice of the 29th AGM to be held on September 11, 2024.

w. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

x. The Company does not have any demat suspense account/unclaimed suspense account and therefore, the details pertaining to the same are not given.

y. During the year under review, there were no complaint i.e. incidences of sexual harassment reported.

z. There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

aa. There are no promoter's shares in Lock-in.

J. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations including but not limited to the provisions of regulations 17 to 27 and 46(2)(b) to (i) of the said Regulations.

K. Breach of covenant

There is no breach in terms of covenants in respect of loans availed by us including incidence of default.

L. Divergence in Asset Classification and Provisioning

The additional provisioning requirements assessed by the Reserve Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period: Not applicable

The additional Gross NPAs identified by the Reserve Bank exceeds 5 percent of the reported Gross NPAs for the reference period: Not applicable

Sr. No.	Particulars	Amount
1.	Gross NPAs as on March 31, 20xx as reported by the NBFC	Not applicable
2.	Gross NPAs as on March 31, 20xx as assessed by the Reserve Bank	
3.	Divergence in Gross NPAs (2-1)	
4.	Net NPAs as on March 31, 20xx as reported by the NBFC	
5.	Net NPAs as on March 31, 20xx as assessed by the Reserve Bank	
6.	Divergence in Net NPAs (5-4)	
7.	Provisions for NPAs as on March 31, 20xx as reported by the NBFC	
8.	Provisions for NPAs as on March 31, 20xx as assessed by the Reserve Bank	
9.	Divergence in provisioning (8-7)	
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 20xx	
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 20xx	
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 20xx after considering the divergence in provisioning	

* March 31, 20XX is the close of the reference period in respect of which divergences were assessed.

M. There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company pursuant to the clause 5A of paragraph A of Part A of Schedule III of SEBI LODR Regulation.

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana Pandya
Director & CEO
(DIN: 07610402)

Riddhi Bhayani
Company Secretary & Chief Compliance Officer
Membership No.: A41206

Date : August 14, 2024
Place : Ahmedabad

DECLARATION

I, Darshana Pandya, Director & Chief Executive Officer of MAS Financial Services Limited hereby declare that as of March 31, 2024 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Darshana Pandya
Director & Chief Executive Officer
(DIN: 07610402)

Date: August 14, 2024
Place: Ahmedabad

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Mrs. Darshana Pandya, Director & Chief Executive Officer and Mr. Ankit Jain, Chief Financial Officer of MAS FINANCIAL SERVICES LIMITED certify that:

We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2024 and to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

iii. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024 which are fraudulent, illegal or violative of the Company's Code of Conduct.

iv. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

v. We further certify that we have indicated to the auditors and the Audit Committee:

   a. There have been no significant changes in internal control over financial reporting system during the year;

   b. There have been no significant changes in accounting policies during the year except for the changes disclosed in the note no. 32 to the standalone financial statements; and

   c. There have been no instances of significant fraud, of which we have become aware, involving management or any employee having a significant role in the Company's internal control system over financial reporting.

Darshana Pandya
Director & Chief Executive Officer
(DIN: 07610402)

Ankit Jain
Chief Financial Officer

Date: August 14, 2024
Place: Ahmedabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
MAS **FINANCIAL SERVICES LIMITED**
6, Narayan Chambers Ground Floor
B/H Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

We have examined online the relevant registers, records, forms, returns and disclosures received from the Directors of MAS **Financial Services Limited** having **CIN L65910GJ1995PLC026064** and having registered office at 6, Narayan Chambers Ground Floor, B/H Patang Hotel, Ashram Road, Ahmedabad – 380 009. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Kamlesh Chimanlal Gandhi	00044852	25/03/2010
2	Daksha Niranjan Shah	00376899	14/03/2019
3	Balabhaskaran	00393346	25/05/1995
4	Chetankumar Ramniklal Shah	02213542	06/06/2008
5	Darshana Saumil Pandya	07610402	23/09/2016
6	Umesh Rajanikant Shah	07685672	21/12/2016
7	Narayanan Sadanandan	07263104	21/06/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Ravi Kapoor and Associates**

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
CP No. 2407
UDIN: F002587F000972941

Date: August 14, 2024
Place: Ahmedabad

CERTIFICATE ON CORPORATE GOVERNANCE

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
MAS **FINANCIAL SERVICES LIMITED**

We have examined the Compliance Conditions of Corporate Governance by MAS **FINANCIAL SERVICES LIMITED** for the year ended on 31st March, 2024 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2023 to 31st March, 2024. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Ravi Kapoor and Associates**

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
CP No. 2407
UDIN: F002587F000973007

Date: August 14, 2024
Place: Ahmedabad

Annexure- J

Disclosures pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, last updated March 21, 2024 ("said Master Direction").

- **RELATED PARTY TRANSACTIONS**

  (Pursuant to clause 4.3 of Annex XXII of the said Master Direction)

  (1) Details of all material transaction with related parties are disclosed at Note No. 35 to the Standalone Financial Statements and Note No. 36 to the Consolidated Financial Statements;

  (2) The web-link for the policy on dealing with the Related Party Transactions is https://mas.co.in/policy.aspx

Annexure- K

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65910GJ1995PLC026064
2.	Name of the Listed Entity	MAS Financial Services Limited
3.	Year of incorporation	1995
4.	Registered office address	6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad, Gujarat – 380009
5.	Corporate address	6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad, Gujarat – 380009
6.	E-mail	mfsl@mas.co.in
7.	Telephone	079-41106500
8.	Website	www.mas.co.in
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Ltd.
11.	Paid-up Capital	Rs, 1,63,98,61,290/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Ms. Riddhi Bhayani Designation: Company Secretary & Chief Compliance Officer E-mail Id: Riddhi_Bhayani@mas.co.in Contact Number: 079-41106638
13.	Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). :	Standalone basis
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Service activities, except insurance and pension funding	Other financial activities	98.37%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Non-Banking Finance Company engaged in lending and allied activities	65923	98.37%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices*	Total
National	NA	189	189
International		NA	NA

*includes branches and corporate office as on March 31, 2024.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	12 States/Union Territory
International (No. of Countries)	NA

* Includes states and union territories as on March 31, 2024.

b. What is the contribution of exports as a percentage of the total turnover of the entity: Nil

c. A brief on types of customers: MAS Financial Services Limited caters a diverse range of financial products and services. Our primary focus lies in delivering dependable and accessible financial services to those in need. We strive to support small and medium enterprises by providing tailored financial solutions, while also offering assistance in the form of two-wheeler loans, personal loans, and commercial vehicle loans. Our objective is to empower individuals and businesses alike by enabling their financial aspirations and fostering economic growth.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1590	1489	93.65%	101	6.35%
2.	Other than Permanent (E)			Nil		
3.	**Total employees (D + E)**	**1590**	**1489**	**93.65%**	**101**	**6.35%**
WORKERS						
4.	Permanent (F)			Nil		
5.	Other than Permanent (G)					
6.	**Total workers (F + G)**					

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100%	0	0
2.	Other than Permanent (E)			Nil		
3.	**Total differentlyabled employees (D + E)**	**2**	**2**	**100%**	**0**	**0**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)			Nil		
5.	Other than Permanent (G)					
6.	**Total differentlyabled workers(F + G)**					

21. Participation/Inclusion/Representation of Women as on March 31, 2024:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	07	02	28.60%
Key Management Personnel	04	02	50%

22. Turnover rate for permanent employees and workers as on March 31, 2024:

(Disclose trends for the past 3 years)

	FY 2024 (Turnover rate in current FY)			FY 2023 (Turnover rate in previous FY)			FY 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31.48	22.11	30.83	27.10	20.38	26.62	34.74	29.13	34.40
Permanent Workers	NA			NA			NA		

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	MAS Rural Housing & Mortgage Finance Limited	Subsidiary	60.77%	No
2.	MASfin Insurance Broking Private Limited	Subsidiary	69%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

(ii) Turnover (in ₹): 1224.57 Crore

(iii) Net worth (in ₹) : 1768.96 Crore

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	0	0	NA	0	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers*	Yes	2729	8	NA	1193	14	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	Yes	0	0	NA	0	0	NA

*The Company has received total 2729 complaints out of which 2493 was received from partners in FY 2023-24, however in FY 2022-23, the total complaints were 1193 out of which 1055 was received from partners. Further, as on March 31, 2024, the total pending complaints were 8 out of which 4 pertaining to the Complaint received from partners. Total pending complaint as on March 31, 2024 were 14 out of which 12 were pertaining to the Complaint received from partners.

The company, in adherence to its policies, practices, and processes, upholds the principle of engaging with stakeholders and seeks to address any disparities in a manner that is just, fair, equitable, and consistent. Should the need arise; the company will take necessary corrective actions to rectify the situation. In addition the grievance mechanism is made available on the company's website.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Financial Inclusion	Opportunity	Enhancing quality of life for customers, particularly those residing in semiurban and rural areas of India, where the availability of financial products and services is limited.	--	Positive
2.	Regulatory Compliance	Risk & Opportunity	Non-compliance of applicable regulations may lead to regulatory action and reputational damage. The updated regulations promote high level of transparency & governance which leads to meet the highest standards to enhance stakeholder's trust.	Systems are in place to track regulatory changes. Risk assessments are carried out to identify potential compliance risks. The Company strives to ensure adherence to regulatory requirements at all times.	Positive & Negative
3.	Data Privacy and Cyber Security	Risk	Companies are assessed based on the amount of personal data they collect, their exposure to evolving or increasing privacy regulations, their vulnerability to potential data breaches, and their data protection systems.	To mitigate data security and privacy risks, the Company has implemented measures such as installing firewalls, upgrading security and creating data backups.	Negative
4.	Information Technology & Innovation	Opportunity	As a NBFC, digital and business innovation is vital. It facilitates improved operational efficiency, cost reduction, betterment of customer service, and broadening of market access. Digitalization and innovation have unleashed opportunities in new markets and areas that were earlier difficult to penetrate and helps enhance value creation for customers and other stakeholders.	--	Positive
5.	Customer Support and Satisfaction	Risk	Company is catering to many customers and any event or activity could impact the customer and reputation of the company	Strong Customer grievance policy and process and continuous education to customer and staff helps the company to mitigate the risk	Negative

6.	Employee Well-Being	Opportunity	Prioritizing the welfare of employees can enhance their morale and positively affect their work.	--	Positive
7.	CSR	Opportunity	Giving back to the community ensures social license to operate, as also economic development of underprivileged, broadening economic activity and offering opportunities for financial services.	--	Positive
8.	Climate Risk	Risk & Opportunity	Risk:The Company is extending credit to used commercial vehicle which may have adverse impact on environment. Reputational Risk may arise if company is not able to achieve stakeholders expectation on climate related disclosures. Opportunities: Increased awareness about climate change has accelerated the adoption of environment friendly products such as electric vehicles, CNG Vehicle etc, thereby creating an opportunity to finance and insure such class of assets.	ESG framework is put in place. Company will do enhanced due diligence and monitoring on ESG risk on certain loans. The company will Recognise opportunities to increase energy efficiency across the organisation which will bring in cost efficiencies over the longer term	Positive & Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes											
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
	b.	Has the policy been approved by the Board? (Yes/No)	Yes								
	c.	Web Link of the Policies, if available	https://www.mas.co.in/policy.aspx								
2.		Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4.		Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The formulation of all policies has been guided by industry best practices and in compliance with regulatory mandates.								

5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	As we begin our ESG journey, we recognize the importance of setting targets to measure our adherence to the principles of the National Guidelines on Responsible Business Conduct. Despite being in our first year of ESG adoption, we aim to establish objectives and targets in the upcoming reporting period. Our commitment lies in aligning ESG efforts with our business goals, implementing a comprehensive strategy for sustainability and long-term stakeholder value. We are dedicated to improving our ESG practices and eagerly look forward to sharing our progress in the future.
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We are fully committed to providing detailed performance updates, prioritizing clear communication of achievements, financial outcomes, and strategic progress in the years ahead with diligence and transparency.
Governance, leadership and oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Please refer to message from the Chairman & Managing Director.	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Kamlesh Gandhi Designation: Chairman & Managing Director DIN: 00044852
9.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, ESG Committee of the Board of Directors consisting of senior management personnel of the Company to monitor various aspects of social, environmental and governance responsibilities is responsible for decision making on sustainability related issues
10.	Details of Review of NGRBCs by the Company:	

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	As a standard procedure, the company's policies undergo regular or as-needed reviews by the board to ensure their relevance and effectiveness.	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The company is in compliance with the extant regulations as applicable.	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 Evaluation is a continuous process and is done internally.	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
The entity does not consider the Principles material to its business (Yes/No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					NA				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)					NA				
Any other reason (please specify)					NA				

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors & Key Managerial Personnel	BOD – 5 KMP - 8	1. The company carries out familiarization programmes for its directors, as required under the SEBI Listing regulations. Stage of induction of Independent directors. 2. Updating the Independent directors about the ongoing events and developments relating to the Company. 3. Training on BRSR Requirements and Company's preparedness towards BRSR Reporting. 4 Functioning of various Committees of the Board and business and operations of the Company, risk management, IT strategies, etc. 5. Significant changes in regulatory framework, quarterly and financial results through the Board/Committee meetings and program(s).	100%
Employees other than BoD and KMPs	1586	The Company places substantial emphasis on employee training and development, dedicating resources to keep them well-informed about the latest trends and technologies. Regular awareness programs are also conducted, covering a wide range of relevant topics including prevention of sexual harassment (POSH), customer relationship management, code of conduct, ethics, cyber security, data privacy, ESG Awareness, KYC – AML compliances, fraud prevention, Functional Training and insider trading.	100%
Workers	NA		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website:

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (yes/No)
Penalty/ Fine	Please refer Directors report for the further detail.				
Settlement	Nil	Nil	0	Nil	Nil
Compounding Fee	Nil	Nil	0	Nil	Nil

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes.

   The Company has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all of its business dealings through necessary policies, codes and charters. All the employees of the Company must adhere to the commitment of integrity and other responsible business conduct principles laid down in Employee Charter.

   Some of these policies, codes and charters are available on Company's website: https://mas.co.in/policy.aspx

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24 (Current Financial year)		FY 2022-23 (Previous Financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. – N.A.**
8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Number of days of accounts payable	Nil	Nil

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	NA	NA
	b.	Number of trading houses where purchases are made from	NA	NA
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	NA	NA
	b.	Number of dealers / distributors to whom sales are made	NA	NA
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	NA	NA
	b.	Sales (Sales to related parties / Total Sales)	NA	NA
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d.	Investments (Investments in related parties / Total Investments made)	7.81%	5.63%

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

We are committed to influencing our value chain partners for responsible and sustainable business conduct and the details of awareness programed will be conducted in the upcoming years.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

We maintain a zero-tolerance policy towards unethical business practices and prioritize adherence to relevant principles, including those related to conflict of interest. Additionally, the company ensures compliance with our Code of Conduct by obtaining annual declarations from directors affirming their commitment to upholding ethical standards. In addition the Company has policies on related party transaction which requires all the transactions done in ordinary course of business are at arm's length price to avoid dealing with possible conflicts of Interest.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Given the nature of MFSL's business, we continuously make expenditure in specific technologies including on IT hardware and software. We believe better adoption of digital platforms not only brings in increased efficiencies of operations but also ensures substantially through reduced consumption of paper.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D			NA
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing?
The Company provides financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing financial solutions to serve the needs of the people; hence we do not currently maintain records for sustainable sourcing. However, efforts to reduce its own carbon footprints through various digitization initiatives and environmentally friendly initiatives such as plastic use reduction are being taken for conservation of resources.

b. if yes, what percentage of inputs was sourced sustainably?
Refer point 2(a) above

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**
Given the nature of the business of providing financial services to its customers and does not manufacture any products, hence we do not currently maintain records for hazardous and other waste generation.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
Given the nature of our business, the above is not applicable.

LEADERSHIP INDICATORS

Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Given the nature of the business of providing financial services to its customers and does not manufacture any products, hence this won't be applicable.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**
None other than those identified in S. No. 26 of Section A above.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**
As our company operates in the financial services sector and does not engage in manufacturing, the specific clause mentioned does not apply to our business operations.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**
As our company operates in the financial services sector and does not engage in manufacturing, the specific clause mentioned does not apply to our business operations.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**
As our company operates in the financial services sector and does not engage in manufacturing, the specific clause mentioned does not apply to our business operations.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C /A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1489	-	-	1489	100	-	-	1489	100	-	-
Female	101	-	-	101	100	101	100	-	-	-	-
Total	**1590**	**-**	**-**	**1590**	**100**	**101**	**1.12**	**1489**	**100**	**-**	**-**
Other than Permanent employees											
Male						Nil					
Female											
Total											

b. Details of measures for the well-being of workers: Not Applicable

Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the Company	0.20%	0.26%

The figures include Staff welfare expense and Accidental insurance policy of the employees.

2. Details of retirement benefits, for Current Financial year and Previous Financial year.

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a% of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (y/N/N.A.)	No. of employees covered as a% of total employees	No. of workers covered as a% of total workers	Deducted and deposited with the authority (y/N/N.A.)
PF	80.31%	Nil	Yes	71.84%	Nil	Yes
Gratuity	100%		NA	100%		NA
ESI*	10.63%		Yes	17.50%		Yes
Others – Please Specify	-		-	-		-

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our premises/offices are accessible to differently abled employees wherever they are employed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The policy is available to employees through intranet portal.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	23	23		Nil
Female	1	0		
Total	24	23		

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes. The ERP System is available for any employee to enter his/her grievances. The portal is directly accessed by HR Head of the Company and complete confidentiality is maintained on receiving the complaints/ grievance. The HR Head of the Company works on all issues for speedy resolution.
Other than Permanent Employees	NA

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Employees of MFSL are currently not part of any employee association.

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union(D)	% (D /C)
Total Permanent Employees						
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

Nil

8. **Details of training given to employees and workers:**

Category	FY 2023-24 Current Financial year					FY 2022-23 Previous Financial year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1489	1089	73.14%	1103	74.40%	1065	443	41.60%	552	51.83%
Female	101	69	68.31%	63	62.37%	89	39	43.82%	36	40.45%
Total	**1590**	**1158**	**72.83%**	**1166**	**73.33%**	**1154**	**482**	**41.77%**	**588**	**50.95%**
Workers										
Male										
Female										
Total										

Nil

9. Details of performance and career development reviews of employees and worker:

Performance appraisal was conducted during the year for all the eligible employees as per Company's policies.

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Total Permanent Employees	**1590**	**751**	**47.23%**	**1154**	**642**	**55.63%**
- Male	1489	687	46.14%	1065	598	56.15%
- Female	101	64	63.37%	89	44	49.44%
Total Permanent Workers	**NA**					
- Male						
- Female						
Total						

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	The Company acknowledges that there are no occupational health and safety hazards associated with its business operations. However, the well-being of its employees remains a top priority. We ensure the availability of a first aid kit at our locations. We also advise our employees to use helmets while riding through various training programs. Moreover, the Company is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace. The Company also provides Accident Policy for the employees. The Company sends periodic internal communication and alerts to employees and conducts awareness sessions on health and safety related aspects such always wear a helmet, drink enough water, stay on the move, choose to use the stairs, etc. The Company is committed to ensure employee well-being and productivity by conducting consistent health examinations, fostering a balanced approach to work and personal life, providing access to mental health resources by having access to psychiatrist to the employees, offering stress management education, and maintaining a secure and welcoming workplace.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	In light of our business operations, hazard identification may not be directly applicable. Nonetheless, we recognise the importance of continuously conducting hazard identification.
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	NA
d. Do the employees/ worker of the entity have access to non-occupational medical and Healthcare services? (Yes/ No)	The Company has accidental insurance policies for the employees. Further, awareness programs are conducted to ensure mental and physical well-being of employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24 Current Financial year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Refer 10(a) above

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Company strives to keep the workplace environment safe, hygienic and humane. Branches across the group are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There have been no concerns or significant risks arising from health & safety practices and working conditions, hence no corrective action was required to be taken.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) –

No, however the death due to accident is covered under accidental policy of the Company.

2. Provide the measues undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We ensure that all statutory payment challans of previous month are attached with current invoice of our regular vendors.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.**

	Total No. of effected employees/ Workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.	
	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Employees	Not Applicable			
Workers				

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed.
Health and safety practices	NA
Working Condition	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   In absence of any significant risks / concerns, no corrective action plan has been necessitated.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The company recognizes and identifies key stakeholders as individuals or groups who are interested, impacted by, or concerned with its current and future activities. Accordingly, our key stakeholders encompass shareholders and investors, customers, government and regulators, value chain partners, employees, and the society as a whole.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, SMS, Newspaper, Website, Notice	Quarterly/ As and when required	To inform about quarterly performance, call for meeting and other relevant updates.
Investors	No	Email, Newspaper, Community Meetings, Website	Quarterly/ As and when required	To inform about quarterly performance, call for meeting and other relevant updates.
Customers	Yes	Email, SMS, Newspaper, Website	As and when required	To provide financial services, resolve queries and grievances.
Employees	Yes	Email, Website	As and when required	Work related updates, providing awareness programmes
Government and Regulators	Yes	Email	As and when required	To update on various compliances and to seek approvals
Value Chain Partners	Yes	Email	As and when required	To further strengthen the business relationship
Society	Yes	Website, Advertisement, Newspaper	As and when required	To promote social welfare activities including gathering feedback

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   At our company, we prioritize transparent communication and provide access to pertinent information regarding decisions that affect our stakeholders, while ensuring the protection of confidential competitive plans and information. Engaging with stakeholders is an ongoing process, and the board regularly receives updates on significant developments resulting from such engagement efforts.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. The engagement with stakeholders on a continuous basis plays a crucial role in meeting their expectations and enables our company to better serve their needs. By actively involving our stakeholders, we strive to enhance our understanding of their requirements, foster stronger relationships, and ultimately deliver more effective solutions.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Our company is dedicated to making a positive impact on society through its Corporate Social Responsibility (CSR) initiatives. We have undertaken diverse activities and initiatives that aim to benefit various segments of the society, contributing to their well-being and creating a sustainable and inclusive future.

   The Company through its CSR policy has taken up at the various initiatives and activities across work centres and locations of the company, for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons.

PRINCIPLE 5 Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1590	1072	67.42%	1154	448	38.82%
Other than permanent			Nil			
Total Employees	**1590**	**1072**	**67.42%**	**1154**	**448**	**38.82%**
Workers						
Permanent			Nil			
Other than permanent						
Total Employees						

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1589	218	13.71%	1372	86.29%	1154	180	15.60%	974	84.40%
Male	1489	211	14.17%	1278	85.83%	1065	175	16.43%	890	83.57%
Female	101	7	6.93%	94	93.07%	89	5	5.62%	84	94.38%
Other than permanent										
Male					NA					
Female										

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent					NA					
Male										
Female										
Other than permanent										
Male										
Female										

3. **Details of remuneration/salary/wages**

a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in Crores)	Number	Median remuneration/ salary/wages of respective category (₹ in Crores)
Board of Directors (BOD)	1	6,28,46,640	1	92,50,032
Key Managerial Personnel*	1	47,00,004	1	16,10,004
Employees other than BOD and KMP	1487	4,03,200	99	3,30,000
Workers	0	-	0	-

* Excluding Non-Executive/Independent Directors as no remuneration is paid to them.

**CMD & CEO are included in the Board of Directors which is why not mentioned separately in KMP.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	6.07%	6.45%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed.

MFSL believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. The Company has a well-defined grievance redressal mechanism for its employees. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour			Nil			
Wages						
Other human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	
Complaints on POSH as a % of female employees / worker		
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the ERP system provided to all the employees.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	0%
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. -

There were no significant risks identified from the assessments conducted and hence, no corrective action was required to be taken.

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   There have been no significant human rights grievances / complaints warranting modification / introduction of business processes

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   The assessment was conducted across business operations to cover a wide range of human rights issues including forced labour, harassment, discrimination.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   We are committed to ensuring full compliance with the Persons with Disabilities Act 2016, as we actively enhance our premises to provide optimal accessibility for all visitors, including differently abled

4. **Details on assessment of value chain partners:**

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	The Company expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by MFSL. No specific assessment in respect of value chain partners has been carried out.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   No corrective actions pertaining to Question 4 was necessitated by the Company during the year under review.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	**FY 2023-24 (Current Financial year)**	**FY 2022-23 (Previous Financial year)**
From renewable sources (in gigajoules)		
Total electricity consumption (A)	4,805	3,724
Total fuel consumption (B)	5,916	4,539
Energy consumption through other sources (C)	-	-
Total energy consumption from renewable sources (A+B+C)	10,721	8,262
From non-renewable sources		
Total electricity consumption (D)		
Total fuel consumption (E)		
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)		
Total energy consumed (A+B+C+D+E+F)		
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations in million)	0.88	0.88
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	19.61	19.69
Energy intensity in terms of physical output		
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

*For the purpose of calculation of intensity adjusted Purchasing power parity (PPP), conversion factor @22.401 INR/International Dollar has been considered as per IMF data (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND)

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   NA

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Water withdrawal by source (in kilolitres)	The usage of water is restricted to human consumption purposes only which is not accounted. Efforts have been made to ensure that water is consumed judiciously in the office/ branch premises.	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per Lac of turnover (Total water consumption / Revenue from operations)		
Water intensity per Lac of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. **Provide the following details related to water discharged:**

   The nature of our business activity is such that the usage of water is restricted to human consumption.

Parameter	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   – Mechanism for zero liquid discharge has not been implemented

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Nox		Not Applicable	
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others– please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	413	317
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	956	741
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/ Million INR	0.11	0.11
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted	-	-	-

Parameter	Unit	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
For Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO2e / Standlone Total Revenue (in Million) adjusted for PPP	2.50	2.52
Total Scope 1 and Scope 2 emission intensity in terms of physical output*	tCO2e per Employee	0.86	0.92
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

*For the purpose of calculation of intensity adjusted Purchasing power parity (PPP), conversion factor @22.401 INR/International Dollar has been considered as per IMF data (https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/ADVEC/WEOWORLD/IND)

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

   No

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.01	0.0491
E-waste (B)	0.8167	0.849
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	(The Company uses Carton, paper etc in ordinary course of business which are negligible)	
Total (A+B + C + D + E + F + G + H)	**0.8267**	**0.8981**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	Negligible	
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, its major category of waste is paper waste and E-waste. It strives to ensure that e-waste is disposed off in an appropriate manner.

The Company has started promoting the use of recycled paper and several steps are taken to ensure efficient paper usage. The measures adopted include a transition to 'double side printing mode', using single side printed wastepaper to create stationery products like note pads etc.

Further, the Company had provided ceramic cups to the employees in order to avoid using paper cups or per bottles so as to reinforce our efforts and manage waste.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (yes / No)	Results communicated in public domain (yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, MFSL is in compliance with applicable environmental norms.				

LEADERSHIP INDICATORS*

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Offices are generally not situated in any water stress regions, and hence the question is not applicable.

Parameter	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (inkilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	811.13	610.28
Total Scope 3 emissions per rupee of turnover	tCO2e/Mn INR	0.07	0.06
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-NA

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   NA

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Digitization	Digitization initiatives including automation of business processes, usage of E-agreements with digital signature	Reduction of paper waste
2.	Use of Sustainable Alternatives	Use of ceramic cups to avoid usage of paper cups in the head office.	Reduction of plastic waste so as to reinforce our efforts and manage waste.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes. The Company has business continuity strategy and framework which is also compliant with applicable regulatory requirements. BCP envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis. The BCP includes Disaster Recovery procedures to quickly recover from an emergency.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   Given the nature of the business, certain points are not applicable to the Company and there has been no adverse impact to the environment.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Company is member of 5 trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/Associations	Reach of trade and industry chambers/ associations (State/National)
1	Finance Industry Development Council (FIDC)	National
2	Gujarat Finance Companies Association (GFCA)	National
3	Fintech Association for Consumer Empowerment (FACE)	National
4	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
5	Fintech Association for Consumer Empowerment (FACE)	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   N.A.

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

   The Company actively participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the NBFC sector. While making recommendations, MFSL attempts to balance the interest of various stakeholders.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   No project was required to be assessed for their impact during the year under the regulatory requirement. However, the Company uses social sector experts and independent professionals to conduct social and financial assessments of the projects.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   NA

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company has a robust grievance mechanism to receive and redress complaints or any concerns raised by the community. We engage with local communities through various means such as personal visits, surveys, meetings, etc. to understand their concerns and take appropriate actions to resolve them.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Directly sourced from MSMEs/ small producers	NA	NA
Directly from within India	NA	NA

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Rural	0.00%	0.00%
Semi-urban	3.41%	1.91%
Urban	13.27%	12.55%
Metropolitan	0.00%	0.00%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   None

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   (b) From which marginalized /vulnerable groups do you procure?

   (c) What percentage of total procurement (by value) does it constitute?

   Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not Applicable

6. **Details of beneficiaries of CSR Projects**

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	MAS Arogya Abhiyan	150	100%
2	Shiksha Abhiyan	9,500 students	100%
3	MAS Menstrual Hygiene Programme	1,500 (on Quarterly basis)	100%
4	Grain Distribution	300	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Complaints received from customers with regard to their grievances/concerns are adressed under the Grievances Redressal Mechanism. Customer Relationship Management (CRM) address the complaints and requests raised by the customers through various channels like by calling the Centre/Branch; via sending e-mail or through the Company's official website. All the issues/requests raised by customers through various modes such as Call centre/Branch/Company's website/mails/ letters etc., are first entered into CRM Application and resolved as soon as possible. The details of the same are enumerated under the section of Customer's corner on the website of the Company.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All our loan products and Most Important Terms & Conditions are completely transparent and disclose all product related details.
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2023-24 (Current Financial year)			FY 2022-23 (Previous Financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other	2729	8	NA	1193	14	NA

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes https://mas.co.in/policy.aspx

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   NA

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches

   b. Percentage of data breaches involving personally identifiable information of customers

   c. Impact, if any, of the data breaches

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The Company provides a wide range of financial service, the information can be accessed from the www.mas.co.in.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Several formal and informal communication channels are available to educate and create awareness about its services to the customers. Further customer awareness initiatives are undertaken through meetings, camps, workshops and digital platforms. All Information related to products offered to customers are available at Company's website.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   During the year, there were no major disruptions of critical services. Information relating to disruption/discontinuation of essential services is communicated to customers through formal means such as e-mail, website, phone calls, SMS, WhatsApp, etc. Any closure of a business location or relocation thereof is published in newspapers. Further, product related information is available in detail on the companies' websites.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   The information about the products and services are provided on the website of the Company. Through Customer Relationship Management Various surveys are conducted on a regular basis to understand and address the needs of the customers.

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone financial statements of MAS Financial Services Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2024, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of cash flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, cash flows and the changes in equity for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Standalone 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 Standalone 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 Standalone 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 opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans:** Charge: INR 25.98 Crores for the year ended 31st March, 2024 Provision: INR 129.44 Crores as at 31st March, 2024 Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables

Sr. No.	Key Audit Matter	Auditor's Response
	Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 14.52% of ECL balances as at 31 March 2024. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
	Information Technology: IT Systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried during the year by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system)

Sr. No.	Key Audit Matter	Auditor's Response
		o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books. The backup of the books of account and other books and papers maintained in electronic mode, has been maintained on a daily basis on servers physically located in India during the year.

c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2024 on its financial position in its Standalone financial statements.

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

iii. The Company is not required to transfer any amount 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

v. As stated in Note no. 21.2 of the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

(b) The interim dividend declared and paid by the company during the year and until the date of this report is in compliance with section 123 of the Companies Act, 2013.

(c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Companies Act, 2013.

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, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), is applicable from April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 24042132BJZWZF6117

Place: Ahmedabad
Date: April 24, 2024

"Annexure A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2024.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of its Property, Plant and Equipment and right of use assets so as to cover all the items of Property, Plant and Equipment in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment and right of use assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of the immovable properties taken on lease and disclosed under "Right of use asset" in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.

(d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Refer Note 46 to the standalone financial statements.

(ii) (a) The Company is a non-banking finance company ('NBFC') and does not hold any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the year, the company has availed sanctioned working capital limit in excess of ₹ 5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the company, the quarterly returns/ statements filed by the company with the said bank are materially in agreement with the books of accounts maintained by the company.

(iii) (a) Since the Company's principal business is to give loans. Accordingly, the reporting under clause 3(iii)(a) of the Order is not applicable to it.

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers 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 8.1 to the Standalone Financial Statements for summarised details of such loans/ advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, 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 90 days. 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 8.1 and note 43.1 to the Standalone Financial Statements for summarised details of such loans/ advances which are not repaid by borrowers as per stipulations for more than ninety days under the title "stage 3" loans.. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the reporting under clause 3(iii)(e) of the Order are not applicable to it.

(f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of examination of the records, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of Section 185 of the Act and has complied with the applicable provisions of Section 186 (1) of the Act.

(v) The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing the 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, Cess and any other material statutory dues applicable to the company.

(b) There were no material undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and any other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(c) There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ in Crores]	Period to which the amount relates	Forum where dispute is pending
1	Income tax Act, 1961	Income Tax	0.12 [*]	AY 2017-2018	Deputy Commission of Income Tax (A)

[*] after adjusting the amount of refund claimed by the company amounting ₹ 0.33 Crore.

(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that

(a) The Company has not defaulted in repayment of loans or borrowings or interest thereon from any financial institution, banks, government or due to debenture holders during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has utilised the money obtained by way of term loans from banks and other financial institutions during the year for the purposes for which they were obtained. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilisation.

(d) The funds raised on short term basis have not been utilized for the long-term purpose.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary company.

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

(b) 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, reporting under clause 3(x)(b) of the Order is not applicable to the company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, there are 10 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to ₹ 0.87 Crore.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) According to the information and explanations given by management/Audit Committee, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the company is in compliance with section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

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

(b) We have considered, during the course of our audit, the reports of the internal auditor issued till date for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the company.

(xvi) According to the information and explanations given to us and based on the examination of the records of the Company, we report that

(a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per information provided in course of our audit, the group to which the Company belongs does not have CIC.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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) According to the information and explanations given to us, there are no unspent amount towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects that are required to be transferred to a fund specified in Schedule VII to the Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account (as required) till the date of our report in compliance with provision of sub section (6) of section 135 of the Act. Relevant disclosures are made in Note 34 (c) of the Standalone financial statement of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 24042132BJZWZF6117

Place: Ahmedabad
Date: April 24, 2024

"Annexure B" to the Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MAS Financial Service Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 24042132BJZWZF6117

Place: Ahmedabad
Date: April 24, 2024

Standalone Balance Sheet

As at 31 March 2024

(₹ in Crores)

	Note no.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	5	178.02	237.86
Bank balance other than cash and cash equivalents	6	664.27	533.77
Trade receivables	7	6.52	4.27
Loans	8	7,264.83	5,910.16
Investments	9	787.71	826.12
Other financial assets	10	75.80	60.24
Total financial assets		**8,977.15**	**7,572.42**
Non-financial assets			
Income tax assets (net)	30	2.52	2.52
Deferred tax assets (net)	30	9.97	18.22
Property, plant and equipment	11(a)	18.63	13.95
Capital work-in-progress	11(c)	69.80	57.66
Right-of-use asset	11(d)	2.82	1.06
Intangible assets under development	11(e)	0.24	0.33
Other intangible assets	11(b)	1.01	1.03
Other non-financial assets	12	27.10	10.79
Total non-financial assets		**132.09**	**105.56**
Total assets		**9,109.24**	**7,677.98**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	0.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		15.74	11.51
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.14	1.84
Debt securities	14	626.86	627.26
Borrowings (other than debt securities)	15	6,120.36	4,957.56
Subordinated liabilities	16	302.11	252.70
Other financial liabilities	17	253.25	305.65
Total financial liabilities		**7,319.46**	**6,156.65**
Non-financial liabilities			
Current tax liabilities (net)	30.3	4.29	1.86
Provisions	18	10.09	9.48
Other non-financial liabilities	19	6.44	4.26
Total non-financial liabilities		**20.82**	**15.60**
Total liabilities		**7,340.28**	**6,172.25**
EQUITY			
Equity share capital	20	163.99	54.66
Other equity	21	1,604.97	1,451.07
Total equity		**1,768.96**	**1,505.73**
Total liabilities and equity		**9,109.24**	**7,677.98**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

(₹ in Crores)

		Note no.	Year ended 31 March 2024	Year ended 31 March 2023
I.	**Revenue from operations**			
	Interest income	22	1,022.28	797.33
	Gain on assignment of financial assets		116.97	68.04
	Fees and commission income		65.33	49.99
	Net gain on fair value changes	23	12.57	21.49
	Total revenue from operations		**1,217.15**	**936.85**
	Other income	24	7.42	3.00
	Total income		**1,224.57**	**939.85**
II.	**Expenses**			
	Finance costs	25	614.16	474.82
	Fees and commission expense		48.80	48.00
	Impairment on financial assets	26	89.55	53.00
	Employee benefits expenses	27	87.05	62.49
	Depreciation, amortization and impairment	28	3.81	2.40
	Others expenses	29	49.78	34.44
	Total expenses		**893.15**	**675.15**
	Profit before exceptional items and tax (I - II)		331.42	264.70
	Exceptional items		-	-
III.	**Profit before tax**		**331.42**	**264.70**
IV.	**Tax expense:**			
	Current tax	30	80.89	65.10
	Short / (excess) provision for tax relating to prior years	30	(0.17)	(2.47)
	Net current tax expense		**80.72**	**62.63**
	Deferred tax expense / (credit)	30	2.95	1.11
	Net tax expense		**83.67**	**63.74**
V.	**Profit for the year (III - IV)**		**247.75**	**200.96**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		(0.52)	0.06
	Income tax impact on above		0.13	(0.02)
	Total (A)		**(0.39)**	**0.04**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		21.57	(26.05)
	Income tax impact on above		(5.43)	6.56
	Total (B)		**16.14**	**(19.49)**
	Other comprehensive income (A+B)		**15.75**	**(19.45)**
VII.	**Total comprehensive income (V + VI)**		**263.50**	**181.51**
VIII.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		15.11	12.25
	Diluted (₹)		15.11	12.25

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

Chandresh S. Shah
Partner
Membership No: 042132

Ahmedabad
24 April 2024

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
24 April 2024

Ankit Jain
(Chief Financial Officer)

Standalone Statement of Changes in Equity

for the year ended 31 March 2024

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2022	54.66
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2022	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2023	**54.66**
Changes in equity share capital during the year	109.32
Balance at 31 March 2024	**163.99**

(B) OTHER EQUITY

(₹ in Crores)

	Reserves and surplus			Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Restated balance at 31 March 2022	**211.91**	**426.87**	**533.21**	*	**113.94**	**1,285.93**
Profit for the year	-	-	200.96	-	-	200.96
Re-measurement of defined benefit plans (net of taxes)	-	-	0.04	-	-	0.04
Other comprehensive income (net of taxes)	-	-	-	-	(16.45)	(16.45)
Final dividend on equity shares	-	-	(9.57)	-	-	(9.57)
Interim dividend on equity shares	-	-	(9.84)	-	-	(9.84)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	40.19	-	(40.19)	-	-	-
Balance at 31 March 2023	**252.10**	**426.87**	**674.61**	*	**97.49**	**1,451.07**
Profit for the year	-	-	247.75	-	-	247.75
Re-measurement of defined benefit plans (net of taxes)	-	-	(0.39)	-	-	(0.39)
Other comprehensive income (net of taxes)	-	-	-	-	42.37	42.37
Final dividend on equity shares	-	-	(10.11)	-	-	(10.11)
Interim dividend on equity shares	-	-	(16.40)	-	-	(16.40)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	49.55	-	(49.55)	-	-	-
On issue of bonus shares	-	(109.32)	-	-	-	(109.32)
Balance at 31 March 2024	**301.65**	**317.55**	**845.91**	*	**139.86**	**1,604.97**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Standalone Statement of Cash Flows

for the year ended 31 March 2024

(₹ in Crores)

		Year ended 31 March 2024		Year ended 31 March 2023	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		331.42		264.70
	Adjustments for :				
	Depreciation and amortisation	3.81		2.40	
	Finance cost	614.16		474.82	
	Impairment on financial assets	89.55		53.00	
	(Profit) / loss on sale of property, plant and equipment	-		(0.10)	
	Interest income	(1,022.28)		(797.33)	
	Gain on assignment of financial assets	(116.97)		(68.04)	
	Net gain on fair value changes	(2.48)		(2.74)	
	Net gain on sale of investments measured at amortized cost	(4.84)		(1.35)	
	Financial guarantee commission income	-		(0.01)	
	Unrealised gain on foreign exchange	(0.06)		-	
	Dividend income	(1.26)		(1.12)	
	Gain on derecognition of leased assets	(0.02)		-	
			(440.39)		(340.47)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(108.97)**		**(75.77)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(1,264.89)		(1,340.37)	
	Trade receivables	(2.26)		(3.26)	
	Advances received against loan agreements	0.48		(6.38)	
	Bank balance other than cash and cash equivalents	(130.52)		26.46	
	Other financial asset	9.76		(7.44)	
	Other non-financial asset	(32.31)		(14.49)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payable and other payable	3.38		(2.19)	
	Other financial liabilities	(16.24)		(172.94)	
	Other non-financial liabilities	2.19		(4.71)	
	Provisions	0.54	(1,429.87)	2.01	(1,523.31)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,538.84)**		**(1,599.08)**
	Interest income received	921.45		730.31	
	Dividend received	1.26		1.12	
	Interest income on Investment measured at amortised cost	76.48		48.61	
	Finance cost paid	(664.90)	334.29	(463.37)	316.67
			(1,204.55)		**(1,282.41)**
	Income tax paid (net)		(78.29)		(59.31)
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(1,282.84)**		**(1,341.72)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(19.95)		(10.51)	
	Proceeds from sale of property, plant and equipments and intangible assets	-		0.24	
	Purchase of investments	(2,583.49)		(2,824.51)	
	Redemption of investments	2,629.33		2,542.51	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**25.89**		**(292.27)**

Standalone Statement of Cash Flows (contd.)

for the year ended 31 March 2024

		Year ended 31 March 2024		Year ended 31 March 2023	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from debt securities and borrowings	3,637.17		3,073.48	
	Repayments of debt securities and borrowings	(2,223.17)		(1,236.21)	
	Short term loans (Net)	(189.93)		(216.37)	
	Repayment of lease liabilities	(0.45)		(0.22)	
	Dividends paid	(26.51)		(19.41)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,197.11**		**1,601.27**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(59.84)**		**(32.72)**
	Cash and cash equivalents at the beginning of the year		237.86		270.58
	Cash and cash equivalents at the end of the year (refer note 1 below)		**178.02**		**237.86**

Notes:

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
1.	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	0.12	0.14
	(b) Balances with banks	102.84	67.64
	Total	**102.96**	**67.78**
	(c) Bank deposits with original maturity of 3 months or less	75.06	170.08
	Cash and cash equivalents as per the balance sheet	**178.02**	**237.86**

2 The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3. The Company as at 31 March 2024 has undrawn borrowing facilities amounting to ₹ 1192.17 Crores that may be available for future operating activities and to settle capital commitments.

4. Change in liabilities arising from financing activities

	31 March 2023	Cash flows	Non-cash changes*	31 March 2024
Debt securities	627.26	-	(0.40)	626.86
Borrowings (other than debt securities)	4,957.56	1,174.06	(11.26)	6,120.36
Subordinated liabilities	252.70	50.00	(0.59)	302.11
Total liabilities from financing activities	**5,837.52**	**1,224.06**	**(12.25)**	**7,049.33**

	31 March 2022	Cash flows	Non-cash changes*	31 March 2023
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings (other than debt securities)	3,732.73	1,234.65	(9.82)	4,957.56
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,231.98**	**1,620.90**	**(15.36)**	**5,837.52**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

1. A) CORPORATE INFORMATION

MAS Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a systematically important non deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Enterprise loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Salaried Personal loans ("SPL"), Commercial Vehicle loans ("CV") and loans to NBFCs - to create the underlying assets of MEL, SME, TW, SPL and CV. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad-380009, Gujarat, India.

B) RECENT ACCOUNTING DEVELOPMENTS:

The following Indian Accounting Standards have been modified on miscellaneous issues with effect from April 1, 2023. Such changes include clarification/guidance on:

(i) Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with right-of-use assets, lease liabilities,decommissioning / restoration / similar liabilities.

(ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(iv) Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.

(v) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of the above amendments had any material effect on the company's financial statements,except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). Amounts in the standalone

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 41.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of

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the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.17.

v) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

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

These estimates and judgements are based on historical experience and other factors, including expectations of future events that

Notes to the Standalone Financial Statements

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may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Sr No.	Material Accounting Policies	Reference In Balance Sheet & Profit And Loss Notes
1	Recognition of interest income	22
2	Impairment of financial assets	8.1, 26, 53
3	Property, plant and equipment	11(a)
4	Financial instrument	41
5	Intangible assets	11(e), 11(b)
6	Leases	11(d), 44
7	Retirement and other employee benefits	27, 40
8	Finance cost	25

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), transaction costs are added to or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets

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based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost

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

ii) Financial assets measured at FVOCI

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

iii) Financial assets at FVTPL

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

iv) Equity investment in subsidiaries

The Company has accounted for its equity investments in subsidiaries at cost.

B. Financial liability

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are

Notes to the Standalone Financial Statements

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directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

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

3.4 Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Company changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis for retail loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant

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for the year ended 31 March 2024 (Contd.)

increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

For retail loans

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding)
% LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

The Company calculates PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EADs are reviewed. While at every year end, LGDs and PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied

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by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments

When estimating ECL for undrawn loan commitments, the Company estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Company monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Company has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject

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to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

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

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

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

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for the year ended 31 March 2024 (Contd.)

This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

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.

3.11 Property, plant and equipment

Property, plant and equipment (""PPE"") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated. All assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipments - 3 to 10 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

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.

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

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Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not

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to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within ""other non-financial liabilities"") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.16 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.18 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.19 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.21 Repossessed asset

In the normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.22 (I) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

(II) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

i) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

ii) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

iii) It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency exchange rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

4 . STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.12	0.14
Balances with banks:		
In current / cash credit accounts	102.84	67.64
Bank deposits with original maturity of 3 months or less (refer note 1 below)	75.06	170.08
Total cash and cash equivalents	**178.02**	**237.86**

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
In current accounts (refer note 1 below)	0.11	0.12
Earmarked balances with banks:		
Unclaimed dividend bank balances (refer note 2 below)	0.02	0.02
Unspent CSR bank balances	5.72	5.34
In fixed deposit accounts:		
Deposits given as security against borrowings and other commitments	23.45	22.74
Bank deposits with original maturity of more than 3 months (refer note 3 below)	634.97	505.55
Total bank balance other than cash and cash equivalents	**664.27**	**533.77**

Notes:

1. Balance represents balance with banks in earmarked account i.e. “collection and pay-out account”.
2. Represents bank deposits against overdraft facility except balance amounting to ₹ 0.10 crore as regular deposit.

7. TRADE RECEIVABLES

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	6.52	4.27
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total trade receivables	**6.52**	**4.27**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous years: ₹ Nil).
2. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Trade Receivables ageing schedule as at 31 March 2024

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	5.09	1.28	0.15	-	-	6.52
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2023

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4.00	0.15	0.12	-	-	4.27
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8. LOANS

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
Bills Receivables	121.02	-	121.02	82.35	-	82.35
Add: Interest accrued but not due on Bills Purchased and Discounted	0.05	-	0.05	0.03	-	0.03
(A) (I) Bills Receivables	**121.07**	**-**	**121.07**	**82.38**	**-**	**82.38**
Term loans (Excl. interest accrued)	-	7,071.53	7,071.53	-	5,779.81	5,779.81
Add: Interest accrued but not due on term loans	**-**	**72.51**	**72.51**	**-**	**48.50**	**48.50**
(II) Term loans	-	7,144.04	7,144.04	-	5,828.31	5,828.31
Total (A)-Gross	**121.07**	**7,144.04**	**7,265.11**	**82.38**	**5,828.31**	**5,910.69**
Less: Impairment loss allowance	**(0.28)**	**-**	**(0.28)**	**(0.53)**	**-**	**(0.53)**
Total (A)-Net	**120.79**	**7,144.04**	**7,264.83**	**81.85**	**5,828.31**	**5,910.16**
(B) (i) Secured by tangible assets	**121.07**	**4,840.78**	**4,961.85**	**82.38**	**4,300.77**	**4,383.15**
(ii) Unsecured	-	2,303.26	2,303.26	-	1,527.54	1,527.54
Total (B)-Gross	**121.07**	**7,144.04**	**7,265.11**	**82.38**	**5,828.31**	**5,910.69**
Less: Impairment loss allowance	(0.28)	-	(0.28)	(0.53)	-	(0.53)
Total (B)-Net	**120.79**	**7,144.04**	**7,264.83**	**81.85**	**5,828.31**	**5,910.16**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(C) (I) Loans in India						
(i) Public sector	-	-	-	-	-	-
(ii) Private sector	121.07	7,144.04	7,265.11	82.38	5,828.31	5,910.69
Total (C)-Gross	**121.07**	**7,144.04**	**7,265.11**	**82.38**	**5,828.31**	**5,910.69**
Less: Impairment loss allowance	(0.28)	-	(0.28)	(0.53)	-	(0.53)
Total (C) (I) -Net	**120.79**	**7,144.04**	**7,264.83**	**81.85**	**5,828.31**	**5,910.16**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total C(I) and C(II)	**120.79**	**7,144.04**	**7,264.83**	**81.85**	**5,828.31**	**5,910.16**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2024	% to the total Loans and Advances in the nature of loans	As at 31 March 2023	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

Notes:

1. There are no loans outstanding to Companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

8.1 An analysis of changes in the gross carrying amount of loans is given below#

(₹ In Crores)

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,708.05**	**111.31**	**132.70**	**5,952.06**	**4,401.63**	**90.53**	**104.89**	**4,597.05**
Changes in opening credit exposures (net of repayment and excluding write off)	(4,230.83)	(61.29)	(48.97)	(4,341.09)	(3,193.32)	(31.31)	(39.35)	(3,263.98)
New assets originated (net of repayment)**	5,635.68	78.71	54.18	5,768.57	4,574.47	66.89	20.28	4,661.64
Transfers from Stage 1	(91.11)	32.72	58.39	-	(84.61)	33.04	51.57	-
Transfers from Stage 2	3.33	(45.47)	42.14	-	9.67	(47.84)	38.17	-
Transfers from Stage 3	1.20	-	(1.20)	-	0.38	-	(0.38)	-
Amounts written off (net of recoveries)	(0.11)	(1.36)	(46.66)	(48.13)	(0.17)	*	(42.48)	(42.65)
Gross carrying amount closing balance	**7,026.21**	**114.62**	**190.58**	**7,331.41**	**5,708.05**	**111.31**	**132.70**	**5,952.06**

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

* Represents amount less than ₹ 50,000

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

8.2 Reconciliation of ECL balance is given below

(₹ In Crores)

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**30.34**	**19.77**	**53.35**	**103.46**	**45.20**	**10.29**	**44.70**	**100.20**
Changes in opening credit exposures (net of repayment and excluding write off)	1.70	3.79	(13.99)	(8.51)	(11.69)	5.86	(10.21)	(16.04)
New assets originated (net of repayment)	23.74	17.71	19.13	60.58	24.71	12.93	6.75	44.39
Transfers from Stage 1	(26.65)	7.78	18.86	-	(27.92)	5.62	22.30	-
Transfers from Stage 2	0.07	(22.74)	22.67	-	0.05	(14.91)	14.86	-
Transfers from Stage 3	0.00	-	(0.00)	-	0.00	-	(0.00)	-
Amounts written off	(0.00)	(0.25)	(25.85)	(26.10)	(0.00)	(0.04)	(25.05)	(25.09)
ECL allowance - closing balance	**29.21**	**26.06**	**74.17**	**129.44**	**30.34**	**19.77**	**53.35**	**103.46**

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 48.13 crores at 31 March 2024 (31 March 2023 : ₹ 42.65 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 43.

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Company's internal grades and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 43.1.

(₹ In Crores)

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grades								
Performing								
High quality assets	7,026.21	-	-	7,026.21	5,708.05	-	-	5,708.05
Quality assets	-	59.04	-	59.04	-	79.23	-	79.23
Standard assets	-	55.58	-	55.58	-	32.08	-	32.08
Non- performing								
Sub standard assets	-	-	96.61	96.61	-	-	44.99	44.99
Low quality assets	-	-	93.97	93.97	-	-	87.71	87.71
Total	**7,026.21**	**114.62**	**190.58**	**7,331.41**	**5,708.05**	**111.31**	**132.70**	**5,952.06**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

9. INVESTMENTS

(₹ In Crores)

	31 March 2024				31 March 2023			
	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total
Investments in								
Alternative investment funds	-	2.36	-	2.36	-	38.97	-	38.97
Pass through certificates under securitization transactions	507.81	-	-	507.81	527.76	-	-	527.76
Market linked debentures	-	50.95	-	50.95	-	176.78	-	176.78
Non - convertible debentures	159.08	-	-	159.08	31.62	-	-	31.62
Mutual fund units	-	6.14	-	6.14	-	4.68	-	4.68
Subsidiary #	-	-	61.55	61.55	-	-	46.55	46.55
Total – Gross (A)	**666.89**	**59.45**	**61.55**	**787.89**	**559.38**	**220.43**	**46.55**	**826.36**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	666.89	59.45	61.55	787.89	559.38	220.43	46.55	826.36
Total (B)	**666.89**	**59.45**	**61.55**	**787.89**	**559.38**	**220.43**	**46.55**	**826.36**
Less: Allowance for Impairment Loss (C)	(0.18)	-	-	(0.18)	(0.24)	-	-	(0.24)
Total – Net D= (A)-(C)	**666.71**	**59.45**	**61.55**	**787.71**	**559.14**	**220.43**	**46.55**	**826.12**

 # Investments in subsidiaries

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Investment in equity shares of subsidiaries [Refer note below]	35.09	20.09
Investment in optionally convertible preference shares of subsidiary	20.00	20.00
Deemed investment in optionally convertible preference shares of subsidiary	4.00	4.00
Investment in subsidiary on account of:		
Corporate financial guarantee given to bank on behalf of subsidiary	2.39	2.39
Issuance of equity shares to the employees of subsidiary at discount	0.07	0.07
Total	**61.55**	**46.55**

Note : During the F.Y 2023-24, the Company has invested an amount of ₹ 15 crore in MAS Rural Housing & Mortgage Finance Limited, a subsidiary of the Company, by subscribing to 12,31,628 no. of equity shares of face value of ₹ 10 each for cash at ₹ 121.79 (including premium of ₹ 111.79) per share.

"Equity investment in subsidiary" is measured at cost.

10. OTHER FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Security deposits	1.39	1.02
Spread receivable on assigned portfolio	66.30	41.37
Interest accrued but not due on investments	2.75	2.43
Advances to dealers	3.45	7.63
Derivative financial instruments	1.91	-
Other Recievable	-	7.79
Total other financial assets	**75.80**	**60.24**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Crores)

	Property, plant and equipment (a)					Intangible assets (b)	
Nature of assets	Buildings	Office equipment	Furniture and fixtures	Vehicles	Total	Software	Total
Cost							
At 31 March 2022	**6.68**	**4.45**	**3.36**	**2.86**	**17.34**	**0.60**	**0.60**
Additions	-	1.44	1.20	0.95	3.59	1.04	1.04
Disposals	-	-	-	0.42	0.42	-	-
At 31 March 2023	**6.68**	**5.89**	**4.56**	**3.39**	**20.51**	**1.64**	**1.64**
Additions	-	2.61	1.68	3.11	7.40	0.50	0.50
Disposals	-	-	-	-	-	-	-
At 31 March 2024	**6.68**	**8.50**	**6.24**	**6.50**	**27.91**	**2.14**	**2.14**
Depreciation/Amortisation							
At 31 March 2022	**0.54**	**2.22**	**1.08**	**1.11**	**4.95**	**0.38**	**0.38**
Depreciation/amortization charge	0.11	0.87	0.50	0.41	1.89	0.23	0.23
Disposal	-	-	-	0.28	0.28	-	-
At 31 March 2023	**0.65**	**3.09**	**1.58**	**1.24**	**6.56**	**0.61**	**0.61**
Depreciation/amortization charge	0.12	1.26	0.76	0.58	2.72	0.52	0.52
Disposal	-	-	-	-	-	-	-
At 31 March 2024	**0.77**	**4.35**	**2.34**	**1.82**	**9.28**	**1.13**	**1.13**
Net block value:							
At 31 March 2023	6.03	2.80	2.98	2.15	13.95	1.03	1.03
At 31 March 2024	**5.91**	**4.15**	**3.90**	**4.68**	**18.63**	**1.01**	**1.01**

Note: No revaluation of any class of asset is carried out during the year.

(c) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.01 crores (31 March 2023: ₹ 1.24 crores). Finance costs are capitalised at MCLR + 1.15% p.a. - presently 10.30% p.a. for the year ended 31 March 2024.

Capital work-in-progress	
At 31 March 2022	**52.04**
Additions	5.62
Disposals	-
At 31 March 2023	**57.66**
Additions	12.14
Disposals	-
At 31 March 2024	**69.80**

Capital work in progress aging schedule

(₹ In Crores)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	12.14	5.72	1.91	50.03	69.80
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.21	57.66
Projects temporarily suspended	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Crores)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
MAS headquarters	-	-	-	69.80	69.80
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66

(d) Right-of-use asset

The details of the right-of-use asset held by the Company is as follows:

(₹ In Crores)

Office Premises	
At 31 March 2022	2.48
Additions	0.80
Disposals	-
At 31 March 2023	**3.28**
Additions	2.62
Disposals	0.34
At 31 March 2024	**5.56**
Depreciation	
At 31 March 2022	**1.95**
Additions	0.27
Disposals	-
At 31 March 2023	**2.22**
Additions	0.57
Disposals	0.04
At 31 March 2024	**2.75**
Net Block Value:	
At 31 March 2023	1.06
At 31 March 2024	**2.82**

(e) Intangible assets under development

Intangible assets under development	
At 31 March 2022	**0.04**
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**
Additions	0.24
Disposals	0.33
At 31 March 2024	**0.24**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Intangible assets under development aging schedule

(₹ In Crores)

	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	0.24	-	-	-	0.24
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-

12. OTHER NON-FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	14.24	4.44
Advances to employees	0.18	0.11
Re-possessed assets	8.16	3.54
Balance with Government Authorities	2.23	1.46
Capital advances	0.03	0.02
Gratuity fund [Refer note 40(b)]	1.23	0.54
Other advances	1.03	0.68
Total	**27.10**	**10.79**

13. PAYABLES

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	0.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15.74	11.51
(b) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.14	1.84
Total	**16.88**	**13.48**

Trade Payables aging schedule

(₹ In Crores)

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	
As at 31 March 2024					
(i) MSME	-	-	-	-	-
(ii) Others	15.74	-	-	-	15.74
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2023					
(i) MSME	0.13	-	-	-	0.13
(ii) Others	11.50	-	0.01	-	11.51
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		As at 31 March 2024	As at 31 March 2023
(a)	Dues remaining unpaid to any supplier at the year end		
	- Principal	-	0.13
	- Interest on above	-	-
(b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d)	Amount of interest accrued and remaining unpaid	-	-
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

14. DEBT SECURITIES (AT AMORTISED COST) (REFER NOTE 14.1)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Secured non-convertible debentures	531.25	31.25
Secured Market Linked debenture	100.00	600.00
Less: Unamortised borrowing costs	(4.39)	(3.99)
Total	**626.86**	**627.26**
Debt securities in India	626.86	627.26
Debt securities outside India	-	-
Total	**626.86**	**627.26**

14.1 Details of terms of redemption/repayment in respect of debt securities:

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Debentures				
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	6.25	31.25	Coupon Rate: Benchmark Rate +173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Quarterly Tenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10,000, secured, listed, rated, unsubordinated, redeemable, transferable, non-convertible debentures ₹1,00,000 each	100.00	-	Coupon Rate:Benchmark Rate +271 bps Coupon Payment frequency : Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 3 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10000, rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures of ₹1,00,000 each	100.00	-	Coupon Rate:Fixed Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
12,500, fully paid, senior, secured, listed, rated, taxable, redeemable, transferable, non-convertible debentures ₹1,00,000 each	125.00	-	Coupon Rate:Benchmark Rate +266 bpsCoupon Payment frequency : Yearly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
20,000 rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures of ₹1,00,000 each	200.00		Coupon Rate: Benchmark rateCoupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Semi annualyTenor : 4 years	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	Coupon Rate: Market LinkedCoupon Payment frequency : on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	Coupon Rate: Market LinkedCoupon Payment frequency : on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	Coupon Rate: Market LinkedCoupon Payment frequency : on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	Coupon Rate: Market LinkedCoupon Payment frequency : on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	Coupon Rate: Market LinkedCoupon Payment frequency : on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	Coupon Rate: Market LinkedCoupon Payment frequency : on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	**631.25**		

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
(a) Term loans (refer note 15.1)		
(i) from banks		
-In Indian Rupees	3,324.96	3,001.62
-In Foreign Currency [refer note 43.3(b)]	577.04	-
(ii) from other parties (financial institutions)	1,142.02	678.40
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	-	0.01
(c) Short term loans from banks (Refer note below)	1,114.50	1,304.43
Less: Unamortised borrowing costs	(38.16)	(26.90)
Total	**6,120.36**	**4,957.56**
Secured	6,095.45	4,932.69
Unsecured	24.91	24.87
Total	**6,120.36**	**4,957.56**
Borrowings in India	6,120.36	4,957.56
Borrowings outside India	-	-
Total	**6,120.36**	**4,957.56**

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 8.75 % p.a. to 9.40 % p.a. as at 31 March 2024.

Interest rate ranges from 7.45 % p.a. to 11.55 % p.a. as at 31 March 2023.

The Company has not defaulted in repayment of borrowings and interest.

The Company has availed borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts of the Company.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 7,512.28 crores (31 March 2023: ₹ 6,291.38 crores).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)				
Term Loan - 1	-	8.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	25.00	58.33	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	27.95	43.95	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	74.99	105.00	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	66.67	133.33	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	41.67	83.33	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 7	50.09	70.03	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 8	-	27.27	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 9	18.18	36.36	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 10	8.45	12.24	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 11	0.34	2.58	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 12	1.35	10.32	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 13	0.56	4.30	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 14	1.14	3.40	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 15	4.55	13.60	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 16	1.90	5.67	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 17	2.13	4.45	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 18	8.53	17.80	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 19	3.55	7.42	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 20	-	13.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 21	27.94	50.11	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 22	55.64	77.78	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 23	20.00	40.00	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 24	8.30	24.98	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 25	-	6.50	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 26	-	25.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 27	5.00	10.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 28	21.53	65.99	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 29	42.09	63.16	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 30	164.93	225.00	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	53.85	84.62	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 32	97.50	127.50	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	133.33	200.00	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	24.96	41.66	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of company.
Term Loan - 35	15.00	25.00	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 36	54.55	75.00	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 37	19.07	33.60	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 38	51.08	83.55	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 39	34.72	50.00	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 40	62.50	87.50	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 41	112.50	142.50	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 42	68.75	93.75	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 43	120.00	150.00	Repayable in 20 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

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for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 44	41.64	75.00	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 45 (refer note below)	300.33	380.00	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Note : Out of the Above ₹ 300.33 crore outstanding as on 31 March 2024, ₹ 23.29 crore is in Indian Rupees and remaining amount of ₹ 277.04 crore is in foreign currency.				
Term Loan - 46	25.00	30.00	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the company
Term Loan - 47	16.00	29.71	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 48	11.66	18.33	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company.
Term Loan - 49	14.17	24.17	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Company.
Term Loan - 50	126.92	-	Repayable in 13 Quarterly installments from 20 December 2023	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 51	23.08	-	Repayable in 13 Quarterly installments from 16 March 2024 .	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 52	170.00	-	Repayable in 20 Quarterly installments from 30 September 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 53	18.10	-	Repayable in 36 monthly installments from 01 June 2023	First and Exclusive charge by Hypothecation of Book Debts
Term Loan - 54	89.97	-	Repayable in 20 Quarterly installments from 31 Decemmber 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 55	22.91	-	Repayable in 12 Quarterly Installments from 28 March, 2024	Exclusive charge on book debts by way of hypothecation on specific standard receivables of the company
Term Loan - 56	50.00	-	Repayable in 36 monthly installments from 28 April 2024.	Exclusive charge on the specific standard book debts/loan receivables of company.
Term Loan - 57	44.00	-	Repayable in 36 monthly installments from 7 May 2024.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 58	84.86	-	Repayable in 36 monthly installments from 7 February 2024.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 59	82.86	-	Repayable in 36 monthly installments from 7 October 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 60	135.00	-	Repayable in 20 Quarterly installments from 30 November 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 61	67.50	-	Repayable in 20 Quarterly installments from 28 December 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 62	71.25	-	Repayable in 20 Quarterly installments from 05 February 2024	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 63	37.50	-	Repayable in 12 Quarterly installments from 30 September 2023.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 64	41.67	-	Repayable in 12 Quarterly Installments from 31 October 2023	Hypothecation on the Specific unencunbered secured standard loan receivales and book debts of the company arising from loans and advances.
Term Loan - 65	75.00	-	Repayable in 36 monthly installments from 30 July 2023.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 66 (refer note below)	451.52	-	Repayable in 20 Quarterly installments from 25 December 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Note : Out of the Above ₹ 451.52 crore outstanding as on 31 March 2024, ₹ 151.52 crore is in Indian Rupees and remaining amount of ₹ 300 crore is in foreign currency.				
Term Loan - 67	100.00	-	Repayable in 36 monthly installments from 30 April 2024.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 68	83.30	-	Repayable in 12 Quarterly installments from 31 December 2023.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 69	187.50	-	Repayable in 16 Quarterly Installments from 31 march, 2024	Exclusive First charge by way of hypothecation over speicifc Standard receivables.
Total term loans from banks	**3,902.00**	**3,001.62**		

Note (i):

Interest rate ranges from 6.76% p.a. to 10.40% p.a. as at 31 March 2024.

Interest rate ranges from 8.65% p.a. to 10.35% p.a. as at 31 March 2023.

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term loans from others (Refer note ii)				
Term Loans from a Financial Institution - 1	-	8.50	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 2	-	5.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 3	25.00	25.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 4	8.33	25.00	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 5	20.00	33.33	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loans from a Financial Institution - 6	37.25	62.08	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 7	36.35	50.00	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 8	80.00	120.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Term Loans from a Financial Institution - 9	75.00	135.00	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 10	75.70	129.10	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 11	53.53	85.05	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
Term Loans from a Financial Institution - 12	21.88	-	Repayable in 8 Quarterly installments from 31 March 2024	Secured by exclusive charge on the book debt and receivables of the company.
Term Loans from a Financial Institution - 13	66.67	-	Repayable in 36 monthly installments from 5 October 2023.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 14	175.00	-	Bullet Repayment on 11 December 2026.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 15	72.72	-	Repayable in 11 quarterly installments from 01 April, 2024	First and exclusive charge by way of Hypothecation on standard book debts
Term Loans from a Financial Institution - 16	52.00	-	Repayable in 33 Monthly installments from 31 May 2024	First and exclusive charge by way of Hypothecation on standard book debts
Term Loans from a Financial Institution - 17	45.09	-	Repayable in 36 Monthly installments from 05 December 2023	First and exclusive charge by way of Hypothecation over the standard loan receivables
Term Loans from a Financial Institution - 18	79.51	-	Repayable in 33 monthly installments from 10 March 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 19	100.00	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 20	118.00	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Total term loans from others	**1,142.02**	**678.40**		

Note (ii):

Interest rate ranges from 7.50% p.a. to 11.90% p.a. as at 31 March 2024.

Interest rate ranges from 7.50% p.a. to 11.50% p.a. as at 31 March 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Unsecured debentures (refer note 16.1)	310.00	260.00
Less: Unamortised borrowing costs	(7.89)	(7.30)
Total	**302.11**	**252.70**
Subordinated liabilities in India	302.11	252.70
Subordinated liabilities outside India	-	-
Total	**302.11**	**252.70**

16.1 Details of terms of repayment in respect of subordinated liabilities:

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Subordinated liabilities				
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	50.00	50.00	Coupon Rate: 10.75% p.a.Coupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	50.00	50.00	Coupon Rate: 10.75% p.a.Coupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 6 years	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	25.00	25.00	Coupon Rate: 10.75% p.a.Coupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 5 years and 7 months	N.A.
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	35.00	35.00	Coupon Rate: 10.75% p.a.Coupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 6 years	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	50.00	Coupon Rate: 10.75% p.a.Coupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 5 years and 7 months	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	50.00	Coupon Rate: 10.75% p.a.Coupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 5 years and 7 months	N.A.
5000, 10.75% rated, listed, subordinated, unsecured, redeemable, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	Coupon Rate: 10.75% p.a.Coupon Payment frequency : Monthly and on MaturityPrincipal Payment frequency: Bullet Payment at the end of the tenorTenor : 5 years and 7 months	N.A.
Total subordinated liabilities	**310.00**	**260.00**		

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

17 OTHER FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	31.87	70.36
Dues to the assignees towards collections from assigned receivables	178.97	211.29
Advances received against loan agreements	2.10	1.62
Unpaid dividend on equity shares (Refer note below)	0.02	0.02
Dealer advances	7.12	5.13
Lease liability	2.99	1.14
Liabilities for expenses	8.13	1.43
Other payable	22.05	14.66
Total other financial liabilities	**253.25**	**305.65**

Note:

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

18. PROVISIONS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (Refer note 40)		
Compensated absences	0.27	0.16
Provision for unspent CSR liability	9.82	9.32
Total provisions	**10.09**	**9.48**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Statutory remittances	4.63	3.24
Financial guarantee liability	-	0.01
Income received in advance	1.81	1.01
Total other non-financial liabilities	**6.44**	**4.26**

20. EQUITY SHARE CAPITAL

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Authorized shares:		
200,000,000 Equity Shares of ₹ 10 each (As at 31 March 2023: 6,40,00,000 Equity Shares of ₹ 10 each)	200.00	64.00
- 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	22.00
- 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	22.00
- 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2023: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	-	4.00
	200.00	**112.00**
Issued, subscribed and fully paid-up shares:		
163,986,129 Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2023: 5,46,62,043 Equity Shares of ₹ 10 each)	163.99	54.66
	163.99	**54.66**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Note :

1. During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorized Share Capital of the Company comprising of ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 6,40,00,000 (Six Crores and Forty Lakh) Equity Shares of ₹10 (Rupees Ten Only) each, 400 (Four Hundred) - 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹1,00,000 (Rupees One Lakh Only) each, 2,20,00,000 (Two Crore Twenty Lakh) 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹10 (Rupees Ten Only) each and 2,20,00,000 (Two Crore Twenty Lakh) - 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹10 (Rupees Ten Only) each was reclassified into ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of ₹10 (Rupees Ten Only) each.

2. During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorised share capital of the Company has been increased from ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of ₹ 10 (Rupees Ten Only) each to ₹ 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of ₹10 (Rupees Ten Only) each.

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

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
Equity Shares				
Outstanding at the beginning of the year	54,662,043	54.66	54,662,043	54.66
Add: Bonus shares issued during the year	109,324,086	109.32	-	-
Outstanding at the end of the year	**163,986,129**	**163.99**	**54,662,043**	**54.66**

20.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	49,015,350	29.89%	16,338,450	29.89%
Mukesh C. Gandhi (Refer note below)	48,470,442	29.56%	16,156,814	29.56%
Kamlesh C. Gandhi	19,021,524	11.60%	6,340,508	11.60%
Vistra ITCL I Ltd Business Excellence Trust III India Business	12,133,737	7.40%	4,044,579	7.40%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 The Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms / rights attached to 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 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 case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

20.5 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	Shares held by promoters at 31 March 2024		Shares held by promoters at 31 March 2023		% Change during the current year (23-24) #
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Equity shares					
Shweta Kamlesh Gandhi	49,015,350	29.89%	16,338,450	29.89%	200.00%
Mukesh C. Gandhi (Refer note below)	48,470,442	29.56%	16,156,814	29.56%	200.00%
Kamlesh C. Gandhi	19,021,524	11.60%	6,340,508	11.60%	200.00%
Prarthana Marketing Private Limited	3,952,671	2.41%	1,317,557	2.41%	200.00%
Anamaya Capital Llp	299,982	0.18%	99,994	0.18%	200.00%
Dhvanil K. Gandhi	105,831	0.06%	35,277	0.06%	200.00%
Dhriti K. Gandhi	36,162	0.02%	12,054	0.02%	200.00%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Company has issued 10,93,24,086 (Ten Crore Ninety Three Lakh Twenty Four Thousand and Eighty Six) fully paid up Equity Shares of ₹ 10/- each as Bonus Shares in the ratio of 2:1 (2 Bonus shares for every 1 equity shares held on February 22, 2024) by utilizing Securities Premium Account. These Equity shares have been alloted on February 24, 2024.

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Reserve u/s. 45-IC of RBI Act, 1934		
Outstanding at the beginning of the year	252.10	211.91
Additions during the year	49.55	40.19
Outstanding at the end of the year	301.65	252.10
Securities premium		
Outstanding at the beginning of the year	426.87	426.87
Additions during the year	-	-
Deductions during the year (On issue of bonus shares)	(109.32)	-
Outstanding at the end of the year	317.55	426.87
Retained earnings		
Outstanding at the beginning of the year	674.61	533.21
Profit for the year	247.75	200.96
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	(0.39)	0.04
	921.97	734.21
Appropriations:		
Transfer to reserve u/s. 45-IC of RBI Act,1934	(49.55)	(40.19)
Final dividend on equity shares (Refer note 21.2)	(10.11)	(9.57)
Interim dividend on equity shares (Refer note 21.2)	(16.40)	(9.84)
Total appropriations	**(76.06)**	**(59.60)**
Retained earnings	**845.91**	**674.61**
Other comprehensive income		
Outstanding at the beginning of the year	97.49	113.94
Loans and advances fair valued through other comprehensive Income	21.57	(26.05)
Impairment on loans and advances through OCI	26.23	3.04
Income tax relating to items that will be reclassified to profit or loss	(5.43)	6.56
Other comprehensive income for the year, net of tax	139.86	97.49
Total other equity	**1,604.97**	**1,451.07**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Retained earnings

Retained earnings is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

"The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;

ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

4 Other comprehensive income

On equity investments

The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiary) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

On loans

he Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loans and advances are sold. Further, impairment loss allowances on the loans are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Declared and paid during the year (Pre Bonus)		
Dividends on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	10.11	9.57
Interim dividend for 31 March 2024: ₹ 3 per share (31 March 2023 : ₹ 1.80 per share)	16.40	9.84
Total dividends paid	**26.51**	**19.41**

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2024: ₹ 0.51 per share (31 March 2023: ₹ 1.85 per share)	**8.36**	**10.11**

Note : During the F.Y 2023-24 Company has paid the interim dividend of ₹ 3 per share - pre bonus - (₹ 1 ex-bonus). Additionally, the Board has proposed the final dividend @ 5.10% i.e. ₹ 0.51 per share subject to the approval of the Members in the ensuing Annual General Meeting.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

22. INTEREST INCOME

(₹ In Crores)

	Year ended 31 March 2024				Year ended 31 March 2023			
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	872.93	11.92	-	884.85	682.01	5.53	-	687.54
Interest income from investments	-	76.80	-	76.80	-	50.37	1.35	51.72
Interest on deposits with banks	-	55.08	-	55.08	-	37.84	-	37.84
Other interest income	5.55	-	-	5.55	3.69	16.54	-	20.23
Total	**878.48**	**143.80**	**-**	**1,022.28**	**685.70**	**110.28**	**1.35**	**797.33**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on financial instruments at fair value through profit or loss - investments	12.57	21.49
Fair value changes:		
- Realised	10.09	18.75
- Unrealised	2.48	2.74
Total	**12.57**	**21.49**

24. OTHER INCOME

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Rental income	0.10	0.10
Net gain/(loss) on derecognition of property, plant and equipment	-	0.10
Dividend income	1.26	1.12
Net gain on sale of investments measured at amortized cost	4.84	1.35
Gain on derecognition of leased asset	0.02	-
Gain on foreign currency transactions	0.06	-
Income from non-financing activity	1.14	0.33
Total	**7.42**	**3.00**

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on debt securities	52.29	51.76
Interest on borrowings	502.38	348.21
Interest on subordinated liabilities	29.55	14.70
Other interest expense	0.01	35.84
Other borrowing cost	29.74	24.22
Lease liability interest obligation	0.19	0.09
Total	**614.16**	**474.82**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	26.23	3.04
- Expected credit loss (On financial instruments measured at amortised cost)	(0.25)	0.22
- Write off (net of recoveries)	48.13	42.65
- Loss on repossessed assets	15.50	7.40
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	(0.06)	(0.31)
Total	**89.55**	**53.00**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	81.83	57.74
Contribution to provident fund and other funds (Refer note 40(a))	2.46	1.87
Gratuity expense (Refer note 40(b))	0.65	0.66
Staff welfare expenses	2.11	2.22
Total	**87.05**	**62.49**

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	2.72	1.90
Amortisation of intangible assets	0.52	0.23
Depreciation on Right-of-use asset	0.57	0.27
Total	**3.81**	**2.40**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

29. OTHER EXPENSES

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Rent	3.97	3.25
Rates and taxes	0.22	0.19
Stationery and printing	1.28	0.90
Telephone	0.75	0.60
Electricity	1.35	0.97
Postage and courier	1.35	0.97
Insurance	1.15	0.89
Conveyance	1.75	1.25
Travelling	3.68	2.90
Repairs and maintenance :		
Building	0.31	0.58
Others	0.99	1.15
Professional fees	9.35	6.50
Payment to auditors (Refer note below)	0.57	0.46
Directors' sitting fees	0.37	0.10
Legal expenses	2.19	1.86
Bank charges	2.85	1.46
Advertisement expenses	1.63	0.99
Sales promotion expenses	0.35	0.44
Recovery contract charges	0.06	0.11
Corporate social responsibility expenditure (Refer note 33)	4.46	4.26
Credit guarantee fees	6.76	2.13
Miscellaneous expenses	4.39	2.48
Total	**49.78**	**34.44**
Note: Payment to auditors		
As auditor:		
Statutory audit	0.24	0.20
Limited review of quarterly results	0.31	0.26
Other services	0.03	*
	0.58	**0.46**

* Represents amount less than ₹ 50,000

30. TAX EXPENSES

The components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Current tax	80.89	65.10
Short / (Excess) provision for tax relating to prior years	(0.17)	(2.47)
Deferred tax	2.95	1.11
Total tax charge	**83.67**	**63.74**
Current tax	80.72	62.63
Deferred tax	**2.95**	**1.11**

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 31 March 2023 is, as follows:

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax	331.42	264.70
Applicable tax rate	25.17%	25.17%
Computed tax expense	83.42	66.62
Tax effect of :		
Exempted income	(0.32)	(0.30)
Non deductible items	1.12	1.24
Short / (Excess) provision for tax relating to prior years	(0.17)	(2.47)
Others	(0.38)	(1.35)
Tax expenses recognised in the statement of profit and loss	**83.67**	**63.74**
Effective tax rate	25.25%	24.08%

30.2 Deferred tax

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	18.22	12.79
Credit / (charge) for loans and advances through OCI	(5.43)	6.56
Credit / (charge) for remeasurement of the defined benefit liabilities	0.13	(0.02)
Credit / (charge) to the statement of profit and loss	(2.95)	(1.11)
At the end of year DTA / (DTL) (net)	**9.97**	**18.22**

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

(₹ In Crores)

	As at 31 March 2023	Statement of profit and loss	OCI	As at 31 March 2024
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.51)	(0.12)	-	(0.63)
Deferred tax on fair value of investments	(0.02)	(0.62)	-	(0.64)
Impact of fair value of assets	5.50	0.00	(5.43)	0.07
Income taxable on realised basis	(8.68)	(3.95)	-	(12.63)
Deferred tax on prepaid finance charges	(4.09)	(5.18)	-	(9.27)
Impairment on financial assets	26.10	6.52	-	32.62
Recognition of lease liability and right to use asset	0.02	0.02	-	0.04
Expenses allowable on payment basis	(0.10)	0.38	0.13	0.41
Total	**18.22**	**(2.95)**	**(5.30)**	**9.97**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	As at 31 March 2022	Statement of profit and loss	OCI	As at 31 March 2023
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.44)	(0.07)	-	(0.51)
Deferred tax on fair value of investments	(0.02)	-	-	(0.02)
Impact of fair value of assets	(1.06)	-	6.56	5.50
Income taxable on realised basis	(10.82)	2.14	-	(8.68)
Deferred tax on prepaid finance charges	(0.29)	(3.80)	-	(4.09)
Impairment on financial assets	25.35	0.75	-	26.10
Recognition of lease liability and right to use asset	0.01	0.01	-	0.02
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**12.79**	**(1.11)**	**6.54**	**18.22**

30.3 Current tax liabilities

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Provision for tax [net of advance tax of ₹ 76.59 crores (31 March 2023: ₹ 63.24 crores)]	4.29	1.86

30.4 Income tax assets

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Income tax assets [net of provision for tax of ₹ 2.52 crores (31 March 2023: ₹ 2.52 crores)]	2.52	2.52

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Net profit for the year attributable to equity shareholders (basic)	**247.75**	**200.96**
Weighted average number of equity shares of ₹ 10 each (Refer note below)	16,39,86,129	16,39,86,129
Basic earnings per share of face value of ₹ 10 each (in ₹)	15.11	12.25

(B) Diluted earnings per share

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Net profit for the year attributable to equity shareholders (diluted)	**247.75**	**200.96**
Weighted average number of equity shares of ₹ 10 each (Refer note below)	16,39,86,129	16,39,86,129
Diluted earnings per share of face value of ₹ 10 each (in ₹)	15.11	12.25

Note : The basic and diluted earnings per share have been computed for previous year on the basis of the adjusted number of equity shares in accordance with bonus issue of shares.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

32. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
(A)	**Contingent liabilities**		
I)	In respect of disputed income-tax matters : (Refer note i)	0.12	0.12
II)	Guarantees given on behalf of subsidiary company: (Refer note ii)		
	To National Housing Bank ("NHB")		
	Amount of guarantees ₹ 5 crores (31 March 2023: ₹ 5 crores)		
	Amount of loan outstanding	0.46	0.79
(B)	**Commitments**		
I)	Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	Property, plant & equipment and Capital work in progress	0.12	1.39
II)	Loan commitments for sanctioned but not disbursed amount	-	-

Notes:

i) After adjusting the amount of refund claimed by the company amounting ₹ 0.33 Crore.

ii) Guarantees have been given by the Company to NHB on behalf of the subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

33. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Company for the last three financial years was ₹ 223.09 crores, basis which the Company was required to spend ₹ 4.46 crores towards CSR activities for the current financial year (31 March 2023: ₹ 4.26 crores).

a) Amount spent during the year on:

(₹ In Crores)

Particulars	31 March 2024			31 March 2023		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	0.37	4.09	4.46	0.28	3.98	4.26

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of on-going projects

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2023-24	-	9.32	4.46	0.37	3.60	4.09	5.72
2022-23	-	6.91	4.26	0.28	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2020-21	Nil	N.A.	4.18	0.34	-	3.84	-

Note: Unspent CSR amount of ₹ 3.98 crores for FY 2022-23 was deposited in unspent CSR bank account on 27 April 2023. Unspent amount of ₹ 4.09 crores available with the Company is transferred to an unspent CSR account on 29 April 2024.

d) Reason for shortfall: The Company has on-going projects and it is spending the said amount as per pre-approved on-going projects. For more details, refer annexure of Director's report on CSR.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

e) **Nature of CSR activities:** Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

34 SEGMENT REPORTING:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35 RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and managing director)
	(where there are transactions)	Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Balabhaskaran Nair (Independent director) (retired w.e.f 31 March 2024)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director) (retired w.e.f 31 March 2024)
		Mr. Narayanan Sadanandan (appointed w.e.f 21 June 2023)
		Mrs. Daksha Shah (Independent director)
3	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mr. Kamlesh C. Gandhi (As Executor of will of Late Mr. Mukesh C. Gandhi, relative of KMP)
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Umesh Rajanikant Shah HUF (relative of KMP)
		Pauravi Umesh Shah (relative of KMP)

Transactions with related parties are as follows:

(₹ In Crores)

	Year ended 31 March 2024			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	0.10	-	-	0.10
Net recovery charges received	0.01	-	-	0.01
Expenditure reimbursed	1.04	-	-	1.04
Remittances of collection received on behalf of	-	-	-	-
Cross Charges Payment for professional services	0.13	-	-	0.13
Remuneration (including bonus) (Net of Cross Charges)	-	7.19	1.22	8.41
Dividend received	1.26	-	-	1.26
Dividend paid	-	3.09	16.48	19.57
Investment	15.00	-	-	15.00
Sitting fees	-	0.34	-	0.34

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	Year ended 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	0.10	-	-	0.10
Net recovery charges received	0.02	-	-	0.02
Expenditure reimbursed	*	-	-	-
Remittances of collection received on behalf of	0.10	-	-	0.10
Cross Charges Payment for professional services	0.13	-	-	0.13
Remuneration (including bonus) (Net of Cross Charges)	-	5.74	0.95	6.69
Dividend received	1.12	-	-	1.12
Dividend paid	-	2.26	12.06	14.32
Investment	0.35	-	-	0.35
Sitting fees	-	0.09	-	0.09

* Represents amount less than ₹ 50,000

Balances outstanding from related parties are as follows:

(₹ In Crores)

	As at 31 March 2024			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.39	0.03	0.42
Investment	61.55	-	-	61.55
Guarantees outstanding	0.46	-	-	0.46

(₹ In Crores)

	As at 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.31	0.03	0.34
Investment	46.55	-	-	46.55
Guarantees outstanding	0.79	-	-	0.79

Financial guarantee commission income amounts to less than ₹ 50,000 during the year (31 March 2023: ₹ 0.01 Crore) on account of fair valuation of corporate financial guarantee given to bank on behalf of subsidiary.

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Compensation to key management personnel are as follows:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	7.19	5.74
Post-employment benefits	0.02	0.02
Other long term employment benefits	0.01	(0.01)
	7.22	5.75

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

36. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2024 and 31 March 2023. The column 'net amount' shows the impact of the Company's balance sheet if all the set-off rights were exercised.

(₹ In Crores)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amounts	Gross amount offset in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2024					
Loans and advances	7,277.40	12.57	7,264.83	-	7,264.83
31 March 2023					
Loans and advances	5,919.64	9.48	5,910.16	-	5,910.16

Note:

1. ₹ 12.57 crores (31 March 2023: ₹ 9.48 crores) represents advances received against loan agreements.
2. Represents security deposits received from borrowers.

37 EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

38 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Type of income		
Fees and commission income	65.33	49.98
Total revenue from contracts with customers	**65.33**	**49.98**
Geographical markets		
India	65.33	49.98
Outside India	-	-
Total revenue from contracts with customers	**65.33**	**49.98**
Timing of revenue recognition		
Services transferred at a point in time	65.33	49.98
Services transferred over time	-	-
Total revenue from contracts with customers	**65.33**	**49.98**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

39 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	178.02	-	178.02	237.86	-	237.86
Bank balance other than cash and cash equivalents	640.84	23.43	664.27	57.78	475.99	533.77
Trade receivables	6.52	-	6.52	4.27	-	4.27
Loans	4,387.81	2,877.02	7,264.83	3,574.16	2,336.00	5,910.16
Investments	509.21	278.50	787.71	478.41	347.71	826.12
Other financial assets	54.59	21.21	75.80	46.38	13.86	60.24
Non-financial assets						
Income tax assets (net)	-	2.52	2.52	-	2.52	2.52
Deferred tax assets (net)	-	9.97	9.97	-	18.22	18.22
Property, plant and equipment	-	18.63	18.63	-	13.95	13.95
Capital work-in-progress	-	69.80	69.80	-	57.66	57.66
Right-of-use asset	0.78	2.04	2.82	0.31	0.75	1.06
Intangible assets under development	-	0.24	0.24	-	0.33	0.33
Other intangible assets	-	1.01	1.01	-	1.03	1.03
Other non-financial assets	27.06	0.04	27.10	10.79	-	10.79
Total assets	**5,804.83**	**3,304.41**	**9,109.24**	**4,409.96**	**3,268.02**	**7,677.98**

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
Trade payables	15.74	-	15.74	11.64	-	11.64
Other payables	1.14	-	1.14	1.84	-	1.84
Debt securities	105.71	521.15	626.86	522.26	105.00	627.26
Borrowings (other than debt securities)	3,065.32	3,055.04	6,120.36	2,624.76	2,332.80	4,957.56
Subordinated liabilities	-	302.11	302.11	-	252.70	252.70
Other financial liabilities	249.11	4.14	253.25	301.63	4.02	305.65
Non-financial liabilities						
Current tax liabilities (net)	4.29	-	4.29	1.86	-	1.86
Provisions	9.88	0.21	10.09	9.36	0.12	9.48
Other non-financial liabilities	6.44	-	6.44	4.26	-	4.26
Total liability	**3,457.62**	**3,882.66**	**7,340.28**	**3,477.60**	**2,694.65**	**6,172.25**
Net	**2,347.21**	**(578.25)**	**1,768.96**	**932.36**	**573.37**	**1,505.73**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

40 EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefits are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 2.17 crores (31 March 2023: ₹ 1.61 crores) and employee state insurance scheme aggregating ₹ 0.11 crores (31 March 2023: ₹ 0.12 crores) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary **growth and discount rate**

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	3.94	3.42
Current service cost	0.71	0.68
Interest cost	0.26	0.23
Benefits paid	(0.13)	(0.20)
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	(0.10)	(0.14)
Change in financial assumptions	0.03	(0.06)
Experience adjustments	0.65	0.01
Present value of defined benefit obligations at the end of the year	**5.36**	**3.94**
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	4.48	3.34
Interest income	0.33	0.25
Return on plan assets excluding amounts included in interest income	0.06	(0.13)
Contributions by the Company	1.85	1.22
Benefits paid	(0.13)	(0.20)
Fair value of plan assets at the end of the year	**6.59**	**4.48**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	5.36	3.94
Fair value of plan assets at the end of the year	6.59	4.48
Net asset / (liability) recognized in the balance sheet as at the end of the year	**1.23**	**0.54**

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
v. Expense recognised during the Year		
Current service cost	0.71	0.68
Interest cost	(0.06)	(0.02)
Expenses recognised in the statement of profit and loss	**0.65**	**0.66**
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	0.03	(0.06)
Due to change in demographic assumption	(0.10)	(0.14)
Due to experience adjustments	0.65	0.01
Return on plan assets excluding amounts included in interest income	(0.06)	0.13
Components of defined benefit costs recognised in other comprehensive income	**0.52**	**(0.06)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.15%	7.30%
Rate of return on plan assets (p.a.)	7.15%	7.30%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	35.00%	30.00%
26 to 35	30.00%	25.00%
36 to 45	25.00%	20.00%
46 to 55	20.00%	15.00%
56 and above	20.00%	15.00%

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

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Defined benefit obligation (Base)	5.36	3.94

(₹ In Crores)

	Year ended 31 March 2024		Year ended 31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	5.46	5.26	4.03	3.85
(% change compared to base due to sensitivity	1.89%	-1.82%	2.21%	-2.41%
Salary growth rate (- / + 0.5%)	5.27	5.45	3.86	4.01
(% change compared to base due to sensitivity)	-1.60%	1.62%	-2.11%	1.86%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	5.42	5.30	3.96	3.91
(% change compared to base due to sensitivity)	1.11%	-1.03%	0.51%	-0.78%

ix. Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at 31st March 2024 is 4.10 years.(31st March 2023 : 5.11 years)

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	Cash flows (₹)	
	As at 31 Mar 2024	**As at 31 Mar 2023**
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	1.19	0.71
2nd Following year	0.98	0.61
3rd Following Year	0.82	0.56
4th Following Year	0.70	0.49
5th Following Year	0.69	0.44
Sum of years 6 to 10	1.95	1.71

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 0.90 crores.

(c) Other long term employee benefits

(₹ In Crores)

	As at 31 March 2024	**As at 31 March 2023**
Discount Rate	7.15%	7.30%
Salary Growth Rate	8.00%	8.00%
Mortality Rates base	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2012-14)

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2023.

The liability for compensated absences is ₹ 0.27 crores (31 March 2023: ₹ 0.16 crores).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

41. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Company has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Crores)

As at 31 March 2024	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	7,144.04	-	-	-	7,144.04	7,144.04
Investments measured at FVTPL	-	-	59.45	6.14	53.31	-	59.45
Derivative financial instruments	-	-	1.91	1.91	-	-	1.91
	-	**7,144.04**	**61.36**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	178.02	-	-	178.02	-	-	178.02
Bank balance other than cash and cash equivalents	664.27	-	-	664.27	-	-	664.27
Trade receivables	6.52	-	-	-	-	6.52	6.52
Loans measured at amortised cost	120.79	-	-	-	-	121.07	121.07
Investment measured at amortised cost	666.71	-	-	-	-	666.89	666.89
Other financial assets	73.89	-	-	-	-	73.79	73.79
	1,710.20	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	15.74	-	-	-	-	15.74	15.74
Other payables	1.14	-	-	-	-	1.14	1.14
Debt securities	626.86	-	-	-	-	643.84	643.84
Borrowings (other than debt securities)	6,120.36	-	-	-	-	6,147.95	6,147.95
Subordinated liabilities	302.11	-	-	-	-	310.00	310.00
Other financial liabilities	253.25	-	-	-	-	253.25	253.25
	7,319.46	**-**	**-**				

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for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	5,828.31	-	-	-	5,828.31	5,828.31
Investments measured at FVTPL	-	-	220.43	181.46	38.97	-	220.43
	-	**5,828.31**	**220.43**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	237.86	-	-	237.86	-	-	237.86
Bank balance other than cash and cash equivalents	533.77	-	-	533.77	-	-	533.77
Trade receivables	4.27	-	-	-	-	4.27	4.27
Loans measured at amortised cost	81.85	-	-	-	-	82.38	82.38
Investment measured at amortised cost	559.14	-	-	-	-	559.38	559.38
Other financial assets	60.24	-	-	-	-	60.19	60.19
	1,477.13	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	11.64	-	-	-	-	11.64	11.64
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	4,957.56	-	-	-	-	4,983.40	4,983.40
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00
Other financial liabilities	305.65	-	-	-	-	305.65	305.65
	6,156.65	**-**	**-**				

[1] The Company has determined that the carrying values of cash and cash equivalents, bank balances (with the residual maturity up to 12 months), trade payables, short term debts and borrowings, cash credit and other current liabilities are a reasonable approximation of their fair value as these are short term in nature.

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Loans #		
Balance at the beginning of the year	5,869.68	4,556.16
Addition during the year	5,708.31	4,646.20
Amount derecognised / repaid during the year	(4,341.09)	(3,263.98)
Amount written off	(48.13)	(42.65)
Gains/(losses) recognised in other comprehensive income	21.57	(26.05)
Balance at the end of the year	7,210.34	5,869.68

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Crores)

	Amount, net of tax	
	Increase	Decrease
31 March 2024		
Loans		
Interest rates (50 bps movement)	(16.12)	16.19
31 March 2023		
Loans		
Interest rates (50 bps movement)	(12.37)	12.42

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

42. CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

42.1 Capital management

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

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

42.2 Regulatory capital

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Tier 1 Capital	**1,515.89**	**1,329.70**
Tier 2 Capital	277.21	285.34
Total Capital (Numerator)	1,793.10	1,615.05
Risk weightage assets (Denominator)	7,454.95	6,396.60
Risk weighted assets		
Tier 1 Capital Ratio (%)	20.33%	20.79%
Tier 2 Capital Ratio (%)	3.72%	4.46%
Total Capital Ratio (%)	24.05%	25.25%

Tier 1 capital consists of shareholders' equity and retained earnings excluding unrealised gain but including unrealised loss. Tier 2 capital consists of ECL on stage 1 and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets mainly includes loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

43.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and investments.

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for the year ended 31 March 2024 (Contd.)

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

Analysis of risk concentration

The following table shows the risk concentration of the Company's loans.

(₹ In Crores)

	Carrying Amount	
	As at 31 March 2024	As at 31 March 2023
Retail assets loans:	**4,039.93**	**3,026.28**
Two wheeler loans	348.02	317.60
Micro enterprise loans	1,396.38	1,210.59
Salaried personal loans	313.13	247.94
Small and medium enterprise loans	1,606.62	1,080.11
Commercial vehicle loans	375.78	170.04
Retail Assets Channel loans	**3,291.49**	**2,925.78**
Total	**7,331.41**	**5,952.06**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loans are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) *Staging:*

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes due by more than 90 days on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company has staged the assets based on the days past dues criteria and other market factors which significantly impacts the loan portfolio.

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 months provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 months provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime provision

(ii) Grouping:

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. The Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans
b. Micro enterprise loans
c. Salaried personal loans
d. Small and medium enterprise loans
e. Commercial vehicle loans
f. Retail asset channel loans

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default (""PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Company is validated in accordance with its ECL policy.

The Company has developed its PD matrix based on the external benchmarking of external reports, external ratings and Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data of the Company calibrated with forward looking macroeconomic factors.

For computation of probability of default (""PD""), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out PD based on the last five years historical data.

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs are converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the Current year

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. The Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of four components, which are:

   a) Outstanding balance (POS)

   b) Recovery amount (discounted yearly) by effective interest rate.

   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.

   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding balance)% LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected assignment of loans.

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure of retail loans. Further, the EAD for stage 3 retail loans are the outstanding exposures at the time loan is classified as Stage 3 for the first time.

Discounting:

As per Ind AS 109, ECL on retail loans is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Company has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Company, while for retail loan portfolio, the same has been calculated on collective basis.

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for the year ended 31 March 2024 (Contd.)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of ECL provided for across the stages is summarised below:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Stage 1	0.42%	0.53%
Stage 2	22.74%	17.76%
Stage 3	38.92%	40.20%
Amount of expected credit loss provided for	**129.44**	**103.46**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

(iv) *Management overlay*

The Company holds a management and macro-economic overlay of ₹ 18.79 crores as at 31 March 2024 (31 March 2023: ₹ 20.03 crores).

(v) *Modification of financial assets*

The Company has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Company monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2024 is ₹ 0.47 crores (31 March 2023: ₹ 2.73 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 0.13 crores as at 31 March 2024 (31 March 2023: ₹ 1.06 crores). The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

"Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

43.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility, term loans and direct assignment of loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Company is ₹ 1690 Crore spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

RBI has mandated minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 547.22 % as of 31 March 2024 as against the LCR of 50% mandated by RBI.

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The Management expects to continue to maintain around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cash flow of the Company's financial liabilities:

(₹ In Crores)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2024									
Debt securities	2.47	2.40	11.16	34.63	173.58	470.96	53.75	-	748.95
Borrowings (Other than debt securities)	116.88	120.84	349.81	627.07	2,224.90	2,887.13	521.26	-	6,847.88
Subordinated liabilities	2.78	2.78	2.78	8.39	16.56	66.65	301.90	51.46	453.30
Payable	15.75	-	-	1.13	-	-	-	-	16.88
Lease liability	0.07	0.08	0.08	0.23	0.46	1.70	0.98	-	3.59
Other financial liabilities	204.55	-	-	0.12	43.78	1.82	-	-	250.26

(₹ In Crores)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2023									
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39	-	-	738.21
Borrowings (Other than debt securities)	87.85	94.49	235.30	417.47	2,092.69	2,168.90	464.19	-	5,560.89
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payable	2.86	2.86	6.53	0.63	0.61	-	-	-	13.48
Lease liability	0.03	0.03	0.03	0.09	0.19	0.69	0.29	-	1.35
Other financial liabilities	236.06	6.12	5.26	0.08	53.84	3.15	-	-	304.51

43.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment and variable interest rate borrowings and lending.

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for the year ended 31 March 2024 (Contd.)

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Company.

(₹ In Crores)

Change in interest rates	Year ended 31 March 2024		Year ended 31 March 2023	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	50.95	50.95	176.78	176.78
Impact on profit before tax for the year	0.25	(0.25)	0.88	(0.88)
Variable rate lending	3,291.49	3,291.49	2,925.78	2,925.78
Impact on profit before tax for the year	16.46	(16.46)	14.63	(14.63)
Variable rate borrowings	5,633.48	5,633.48	5,445.71	5,445.71
Impact on profit before tax for the year	(28.17)	28.17	(27.23)	27.23

B. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2024 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

(₹ In Crores)

	Foreign currency	As at 31 March 2024	As at 31 March 2023
Term loan from Bank in Foreign Currency	USD	577.04	-

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

44. LEASE DISCLOSURE

Where the Company is the lessee

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2024	As at 31 March 2023
Not later than one year	0.91	0.37
Later than one year and not later than five years	2.69	0.99
Later than five years	-	-
Total undiscounted lease liabilities	**3.59**	**1.35**
Lease liabilities included in the balance sheet		
Total lease liabilities	**2.99**	**1.14**

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for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	0.19	0.09
Depreciation charge for the year	0.57	0.27
Expenses relating to short term leases	3.97	3.25

(₹ In Crores)

Amount recognised in statement of cash flow	Year ended 31 March 2024	Year ended 31 March 2023
Cash outflow towards lease liability	(0.45)	(0.22)

For addition and carrying amount of right to use asset for 31 March 2024 and 31 March 2023, refer note 11(d).

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

45. TRANSFER OF FINANCIAL ASSETS

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Securitisation		
Carrying amount of transferred assets	-	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	-	-
Fair value of assets (A)	-	-
Fair value of associated liabilities (B)	-	-
Net position at Fair Value (A-B)	-	-

45.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Direct assignment		
Carrying amount of de-recognised financial asset	1,927.33	1,186.60
Carrying amount of retained financial asset	207.96	158.82

45.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

46. ADDITIONAL DISCLOSURES:

46.1 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2024 and 31 March 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

46.2 The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2024 and 31 March 2023.

46.3 The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024 and 31 March 2023.

46.4 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

46.5 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.

46.6 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2024 and 31 March 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2024 and 31 March 2023.

46.7 As a part of normal lending business, the Company grants loans and advances after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46.8 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2024 and 31 March 2023.

46.9 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2024 and 31 March 2023.

46.10 The Company has not entered into any scheme of arrangement.

46.11 The company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, there has been no instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

47. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE XXII OF THE MASTER DIRECTION - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED 19 OCTOBER 2023 (UPDATED AS ON 21 MARCH 2024) ARE MENTIONED AS BELOW:

47.1 Capital

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
i)	CRAR (%)	24.05%	25.25%
ii)	CRAR - Tier I capital (%)	20.33%	20.79%
iii)	CRAR - Tier II capital (%)	3.72%	4.46%
iv)	Amount of subordinated debt raised as Tier-II capital	248.00	255.00
v)	Amount raised by issue of perpetual debt instruments	-	-

47.2 Investments

(₹ In Crores)

			As at 31 March 2024	As at 31 March 2023
1.	**Value of investments**			
	(i)	Gross value of investments		
		(a) In India	787.89	826.36
		(b) Outside India	-	-
	(ii)	Provisions for depreciation		
		(a) In India	0.18	0.24
		(b) Outside India	-	-
	(iii)	Net value of investments		
		(a) In India	787.71	826.12
		(b) Outside India	-	-
2.	**Movement of provisions held towards depreciation on investments.**			
	(i)	Opening balance	0.24	0.55
	(ii)	Add : Provisions made during the year	0.17	0.21
	(iii)	Less : Write-off / write-back of excess provisions during the year	0.24	0.52
	(iv)	Closing balance	**0.18**	**0.24**

47.3 Derivatives

(A) Forward Rate Agreement / Interest Rate Swap

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swap	-	-
(v)	The fair value of the swap book	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(B) Exchange Traded Interest Rate (IR) Derivatives :

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

(C) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has a Board approved policy in dealing with derivative transactions.The Company undertakes derivative transactions for hedging its foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through foreign exchange forward contracts.

The foreign currency transactions and derivative transactions are accounted in accordance with IND AS as detailed in the accounting policy Note 3.22

Quantitative Disclosures

(₹ In Crores)

	As at 31 March 2024		As at 31 March 2023	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For Hedging	574.86	-	-	-
(ii) Marked to market positions (Net)				
a) Asset (+)	1.91	-	-	-
b) Liability (-)	-	-	-	-
(iii) Credit exposure	-	-	-	-
(iv) Unhedged exposures	-	-	-	-
Impact on profit before tax for the year	(28.17)	28.17	(27.23)	27.23

47.4 Asset liability management maturity pattern of certain items of assets and liabilities

(₹ In Crores)

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2024											
Bank Fixed Deposits	-	25.02	159.22	-	243.63	1.14	281.05	21.91	1.51	-	733.48
Advances	203.89	82.30	232.76	462.73	569.96	1,131.92	1,704.26	2,464.82	311.67	100.53	7,264.83
Investments	12.12	11.22	51.57	34.11	44.78	112.34	243.07	216.53	0.43	61.55	787.71
Borrowings	24.36	19.25	38.66	83.27	320.20	527.87	2,157.42	2,892.14	937.94	48.22	7,049.33
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023											
Bank Fixed Deposits	70.06	-	0.83	150.03	-	0.01	1.45	475.99	-	-	698.37
Advances	81.46	67.75	272.28	370.60	447.80	872.39	1,461.88	2,059.52	254.76	21.73	5,910.16
Investments	0.54	9.64	38.57	44.58	40.89	137.99	206.20	300.06	13.09	34.57	826.12
Borrowings	16.98	11.96	30.61	71.39	205.97	343.49	2,466.62	2,010.50	524.91	155.09	5,837.52
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Note: The company has converted a portion of long term Indian Rupee borrowing into a short term foreign curency (FC) loan. This FC loan will either get roll over or be again converted into INR term loan till the maturity of the original loan. The

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

actual repayment of this loan will be made as per the original repayment terms as per the original Indian Rupee Long term Borrowing. Accordingly, the maturity pattern in this table is considered as per the applicable tenure of the original INR Borrowing. The amount of such Foreign currency loan outstanding as at 31 March 2024 is ₹ 577.04 Crore.

47.5 Exposure to Real Estate Sector: Refer note 51 (A) (1) for details

47.6 Exposure to Capital Market: Refer note 51 (A) (2) for details

47.7 Details of financing of parent company products

Not applicable

47.8 Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:

Nil

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:

Nil

47.9 Unsecured advances

a) Refer note 8(B)(ii) to the standalone financial statements.

b) The Company has not granted any advances against intangible securities (31 March 2023: Nil).

47.10 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

47.11 Disclosure of penalties imposed by RBI and other regulators

During the year ended 31 March 2024, no penalties have been imposed by RBI and other regulators (31 March 2023: Nil).

47.12 Related party transactions

Refer note 35 to the standalone financial statements.

47.13 Ratings assigned by credit rating agencies and migration of ratings during the year

By Acuite Ratings & Research Limited:

(₹ In Crores)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	6,000.00	ACUITE AA-(Stable)	No migration of rating
Non Convertible Debentures (NCD)	200.00	ACUITE AA-(Stable)	-
Commercial paper issue	300.00	ACUITE A1+	No migration of rating

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

By Care Ratings Limited:

(₹ In Crores)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	8,000.00	CARE AA- (Stable)	CARE A+ (Positive)
Commercial Papers issue	250.00	CARE A1+	No migration of rating
Non Convertible Debentures	400.00	CARE AA- (Stable)	CARE A+ (Positive)
Non Convertible Debentures	250.00	CARE AA- (Stable)	CARE A+ (Positive)
Market linked debenture	75.00	CARE PP-MLD AA- (Stable)	CARE PP-MLD A+ (Positive)
Market linked debenture	100.00	CARE PP-MLD AA- (Stable)	CARE PP-MLD A+ (Positive)
Market linked debenture	125.00	CARE PP-MLD AA- (Stable)	CARE PP-MLD A+ (Positive)
Subordinate debt	200.00	CARE AA- (Stable)	CARE A+ (Positive)
Subordinate debt	100.00	CARE AA- (Stable)	CARE A+ (Positive)
Subordinate debt	100.00	CARE AA- (Stable)	CARE A+ (Positive)

47.14 Remuneration of directors

Refer note 35 to the standalone financial statements.

47.15 Management Discussion and Analysis

The annual report has a detailed chapter on Management Discussion and Analysis.

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

The Company does not have any prior period items and change in accounting policies during the current year.

47.17 Revenue recognition

Refer note 3.1 to the standalone financial statements.

47.18 Ind AS 110 - consolidated financial statements (CFS)

The Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements.

47.19 Provisions and contingencies

The information on all provisions and contingencies is as under:

(₹ In Crores)

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss	As at 31 March 2024	As at 31 March 2023
Provision for depreciation on investment	(0.06)	(0.31)
Provision towards non performing assets (Stage 3 loan assets)	20.82	8.65
Provision made towards income tax	80.72	62.63
Provision towards standard assets (Stage 1 and 2 loan assets)	5.15	(5.39)

47.20 Draw down from reserves

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Draw down from reserves	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

47.21 Concentration of deposits (for deposit taking NBFCs)

Not Applicable

47.22 Concentration of advances

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Total advances to twenty largest borrowers	1,198.70	1,446.59
Percentage of advances to twenty largest borrowers to total advances of the NBFC	16.50%	24.48%

47.23 Concentration of exposures

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Total exposure to twenty largest borrowers / customers	1,219.82	1,537.14
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	16.48%	25.51%

47.24 Concentration of NPAs

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Total exposure to top four NPA accounts	17.70	10.95

47.25 Sector-wise NPAs: Refer note 52 for details

47.26 Movement of NPAs

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
(i)	Net NPAs to net advances (%)	1.50%	1.36%
(ii)	Movement of NPAs (gross)		
	(a) Opening balance	132.70	104.89
	(b) Additions during the year	165.24	114.22
	(c) Reductions during the year	107.36	86.41
	(d) Closing balance	190.58	132.70
(iii)	Movement of net NPAs		
	(a) Opening balance	79.35	60.19
	(b) Additions during the year	104.57	70.31
	(c) Reductions during the year	67.51	51.15
	(d) Closing balance	116.41	79.35
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	53.35	44.70
	(b) Provisions made during the year	60.67	43.91
	(c) Write-off / write-back of excess provisions	39.85	35.26
	(d) Closing balance	74.17	53.35

47.27 Overseas assets (for those with joint ventures and subsidiaries abroad)

Nil

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

47.28 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Nil

47.29 Disclosure of customers complaints: Refer note 51 for details

48. DISCLOSURES RELATING TO SECURITISATION AND TRANSFER OF LOAN EXPOSURE

The information of securitisation and transfer of loan exposure by the Company as required by RBI circular RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 and RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 (Updated as on December 28, 2023) is as under:

(a) For Securitisation Transaction by originator (non-STC transaction)

(₹ In Crores)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	No of SPEs holding assets for securitisation transactions originated by the originator	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets;	-	-
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
	Over collateralisation	-	-
	Excess Interest spread	-	-
	Cash collateral	-	-
7	Performance of facility provided		

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
	Over collateralisation		
	(a) Amount paid	-	-
	(b) Repayment received	-	10.58
	(c) Outstanding amount	-	-
	Excess Interest spread		
	(a) Amount paid	-	-
	(b) Repayment received	-	2.86
	(c) Outstanding amount	-	-
	Cash collateral		
	(a) Amount paid	-	-
	(b) Repayment received	-	4.99
	(c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	(a) loans to NBFCs	-	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

(b) For Securitisation Transaction by originator (STC transaction) - Not applicable

(c) Details of loans not in default transferred through assignment

(₹ In Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Aggregate principal outstanding of loans transferred (₹ in crores)	2,242.21	1,674.41
Weighted average residual maturity (in months)	23	24
Weighted average holding period (in months)	5	5
Average retention of beneficial economic interest (MRR) (%)	10%	13%
Average coverage of tangible security (%)	50%	49%
Rating wise distribution of loans transferred	Unrated	Unrated

(d) Details of loans not in default acquired through assignment

(₹ In Crores)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Aggregate principal outstanding of loans acquired (₹ in crores)	322.75	167.94
Weighted average residual maturity (in months)	24	22
Weighted average holding period (in months)	9	9
Average retention of beneficial economic interest (MRR) by originator (%)	10%	10%
Average coverage of tangible security (%)	36%	2%
Rating wise distribution of loans acquired	Unrated	Unrated

(e) Details of non-performing financial assets purchased / sold

The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).

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for the year ended 31 March 2024 (Contd.)

49. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE VI AND ANNEXURE XXI OF THE MASTER DIRECTION - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED 19 OCTOBER 2023 (UPDATED AS ON 21 MARCH 2024) ON GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK AND LIQUIDITY COVERAGE RATIO (LCR) ARE MENTIONED AS BELOW:

49.1 Funding concentration based on significant counterparty1 (both deposits and borrowings)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Number of significant counterparties	25	20
Amount	6,027.56	4,503.94
Percentage of funding concentration to total deposits	Not Applicable	Not Applicable
Percentage of funding concentration to total liabiities2	82%	73%

[1]Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

[2]Total liabilities represents total liabilities as per balance sheet.

49.2 Top 20 large deposits

Not Applicable to the Company as it does not accept public deposits.

49.3 Top 10 borrowings

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Total amount of top 10 borrowings	4,239.76	3,487.53
Percentage of amount of top 10 borrowings to total borrowings	60%	59%

49.4 Funding concentration based on significant instrument/product[3]

(₹ In Crores)

	As at 31 March 2024	Percentage of total liabilities	As at 31 March 2023	Percentage of total liabilities
Term Loans	5,044.02	69%	3,680.02	60%
Cash credit / Overdraft / Working capital demand loan	1,114.50	15%	1,304.43	21%
Market linked Debenture	100.00	1%	600.00	10%
Subordinate-debentures	310.00	4%	260.00	4%
Non convertible debentures	531.25	7%	31.25	1%
Securitisation	-	0%	50.03	1%

[3]Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

49.5 Stock ratio

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
(i)	Commercial paper as a percentage of total public funds4	Not applicable	Not applicable
(ii)	Commercial paper as a percentage of total liabilities	Not applicable	Not applicable
(iii)	Commercial paper as a percentage of total assets	Not applicable	Not applicable
(iv)	Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	Not applicable	Not applicable
(v)	Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	Not applicable	Not applicable
(vi)	Non convertible debentures(original maturity of less than one year) as a percentage of total assets	Not applicable	Not applicable
(vii)	Other short term liabilities* as a percentage of total public funds	48%	59%
(viii)	Other short term liabilities as a percentage of total liabilities	47%	56%
(ix)	Other short term liabilities as a percentage of total assets	38%	45%

[4]Public funds as defined in Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

49.6 Institutional set-up for liquidity risk management

Refer note 43.2 of the standalone financials statements.

Quarterly liquidity coverage ratio for the year ended 31 March 2024

(₹ In Crores)

Particulars		Quarter ended 30 June 2023		Quarter ended 30 September 2023		Quarter ended 31 December 2023		Quarter ended 31 March 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	481.39	481.39	434.53	434.53	407.32	407.32	560.51	560.51
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	100.59	115.68	155.03	178.28	273.42	314.43	155.09	178.35
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	203.71	234.27	182.96	210.41	189.24	217.62	201.19	231.37

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	Particulars	Quarter ended 30 June 2023		Quarter ended 30 September 2023		Quarter ended 31 December 2023		Quarter ended 31 March 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**304.31**	**349.95**	**337.99**	**388.69**	**462.65**	**532.05**	**356.27**	**409.71**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	445.32	333.99	417.11	312.83	506.73	380.05	544.21	408.16
11	Other cash inflows	270.65	202.99	322.29	241.72	277.40	208.05	155.43	116.57
12	**Total cash inflows**	**715.97**	**536.98**	**739.40**	**554.55**	**784.13**	**588.10**	**699.64**	**524.73**

		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	481.39	434.53	407.32	560.51
14	Total net cash outflows	87.49	97.17	133.01	102.43
15	Liquidity coverage ratio (%)	550.23%	447.18%	306.23%	547.22%

Components of High Quality Liquid Assets (HQLA)

(₹ In Crores)

	Particulars	Quarter ended 30 June 2023		Quarter ended 30 September 2023		Quarter ended 31 December 2023		Quarter ended 31 March 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	481.39	481.39	434.53	434.53	407.32	407.32	560.51	560.51
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA		481.39	481.39	434.53	434.53	407.32	407.32	560.51	560.51

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Quarterly liquidity coverage ratio for the year ended 31 March 2023

(₹ In Crores)

Particulars		Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Unsecured wholesale funding	13.33	15.33	-	-	-	-	-	-
4	Secured wholesale funding	103.46	118.97	87.44	100.56	127.46	146.58	146.64	168.64
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	62.84	72.26	68.28	78.52	122.89	141.32	187.40	215.51
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**179.63**	**206.57**	**155.72**	**179.08**	**250.35**	**287.90**	**334.04**	**384.15**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	350.98	263.24	407.57	305.68	452.75	339.57	444.06	333.04
11	Other cash inflows	184.05	138.04	434.13	325.59	247.34	185.51	301.39	226.04
12	**Total cash inflows**	**535.03**	**401.27**	**841.70**	**631.27**	**700.10**	**525.07**	**745.45**	**559.09**

		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	598.82	430.50	431.84	488.51
14	Total net cash outflows	51.64	44.77	71.98	96.04
15	Liquidity coverage ratio (%)	1159.55%	961.61%	599.97%	508.67%

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	Total HQLA	**598.82**	**598.82**	**430.50**	**430.50**	**431.84**	**431.84**	**488.51**	**488.51**

The LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered High-Quality Liquid Assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

HQLA primarily includes cash on hand, bank balances in current accounts and free fixed deposit against which overdraft facility has been availed off net of availed overdraft.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines requires NBFCs to maintain minimum LCR of 60% and 50% as on 31 March 2023 and 31 March 2022 respectively which is gradually required to be increased to 100% by 1 December 2024.

50. DISCLOSURE IN ACCORDANCE WITH RBI NOTIFICATION NO. RBI/2020-21/17 DOR.NO.BP. BC/4/21.04.048/2020-21 DATED 6 AUGUST 2020 AND RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 DATED 5 MAY 2021 ARE AS FOLLOWS:

(₹ In Crores)

Type of Restructuring Under CDR Mechanism and Under SME Debt Restructuring Mechanism	As at 31 March 2024	As at 31 March 2023
No. of accounts restructured*	1	175
Amount**	0.45	2.63

* Cumulative no. of accounts restructured having outstanding as on date

** Including MRR portion on assigned loans

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2024

(₹ In Crores)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.10	-	-	0.10
	Provision thereon #	-	0.03	-	-	0.03
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	(0.09)	-	-	(0.09)
	Provision thereon #	-	(0.03)	-	-	(0.03)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.02	-	-	0.02
	Provision thereon #	-	*	-	-	*

* Represent amount less than 50,000

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2023

(₹ In Crores)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.25	-	-	0.25
	Provision thereon #	-	0.05	-	-	0.05
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	(0.15)	-	-	(0.15)
	Provision thereon #	-	(0.02)	-	-	(0.02)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.10	-	-	0.10
	Provision thereon #	-	0.03	-	-	0.03

+ Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

Provisions considered as per ECL.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

51. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE VII OF THE MASTER DIRECTION - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED 19 OCTOBER 2023 (UPDATED AS ON 21 MARCH 2024) ON DISCLOSURES IN FINANCIAL STATEMENTS- NOTES TO ACCOUNTS OF NBFCS ARE MENTIONED AS BELOW:

A) Exposure

1) Exposure to real estate sector

(₹ In Crores)

Category		As at 31 March 2024	As at 31 March 2023
i)	Direct exposure		
a)	Residential Mortgages –	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
b)	Commercial Real Estate –	11.49	21.30
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, and acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
	i. Residential	-	-
	ii. Commercial Real Estate	-	-
	ii. Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		185.05	107.50
Total Exposure to Real Estate Sector		**196.54**	**128.80**

2) Exposure to capital market

(₹ In Crores)

Particulars		As at 31 March 2024	As at 31 March 2023
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 *	6.14	4.68
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	Bridge loans to companies against expected equity flows / issues	-	-
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	All exposures to Alternative Investment Funds:		
(i)	Category I	-	-
(ii)	Category II	2.36	38.97
(iii)	Category III	-	-
Total exposure to capital market		**8.50**	**43.65**

* Excluding investment in unlisted subsidiaries

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

3) Sectoral exposure

(₹ In Crores)

Sectors	As at 31 March 2024			As at 31 March 2023		
	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	1,000.48	36.58	3.66%	674.82	18.11	2.68%
2. Industry						
i Manufacturare	422.36	9.18	2.17%	270.25	8.54	3.16%
Total of Industry	422.36	9.18	2.17%	270.25	8.54	3.16%
3. Services						
i Transport Operators	498.20	28.76	5.77%	228.18	13.45	5.89%
ii Retail Trade	2,578.00	86.48	3.35%	2,117.48	82.85	3.91%
iii NBFCs	3,274.70	10.09	0.31%	2,964.39	10.31	0.35%
Others	843.52	31.98	3.79%	655.85	30.78	4.69%
Total of Services	7,194.43	157.30	2.19%	5,965.89	137.38	2.30%
4. Personal Loans						
Others	626.27	24.24	3.87%	421.62	9.90	2.35%
Total of Personal Loans	**626.27**	**24.24**	**3.87%**	**421.62**	**9.90**	**2.35%**

* Includes on balance sheet and off-balance sheet exposure

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

4) Intra-group exposures

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Total amount of intra-group exposures	61.55	46.55
Total amount of top 20 intra-group exposures	61.55	46.55
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.83%	0.77%

5) Unhedged foreign currency exposure

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Unhedged foreign currency exposure	-	-

B) Related Party Disclosure

Sr. No.	Nature of relationship (where there are transactions)	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Directors	Mr. Kamlesh C. Gandhi (Chairman and managing director)
		Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Balabhaskaran Nair (Independent director) (retired w.e.f 31 March 2024)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director) (retired w.e.f 31 March 2024)
		Mr. Narayanan Sadanandan (appointed w.e.f 21 June 2023)
		Mrs. Daksha Shah (Independent director)
3	Key management personnel ("KMP")	Mr. Ankit Jain (Chief financial officer)
		Miss. Riddhi Bhayani (Compliance Officer)
4	Relatives of Directors	Mrs. Shweta K. Gandhi (relative of Director)

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

Sr. No.	Nature of relationship (where there are transactions)	
		Mr. Kamlesh C. Gandhi (As Executor of will of Late Mr. Mukesh C. Gandhi, relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of Director)
		Mr. Saumil D. Pandya (relative of Director)
		Ms. Dhriti K. Gandhi (relative of Director)
		Pauravi Umesh Shah (relative of Director)
5	Other related parties	Prarthna Marketing Private Limited (Entity related to Director)
		Anamaya Capital LLP (Entity related to Director)
		Umesh Rajanikant Shah HUF (Entity related to Director)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2024	As at 31 March 2023
Subsidiaries	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments (Maximum during the year 31st March 2024 :61.55 and 31st March 2023 :46.55)	61.55	46.55
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Dividend paid	-	-
	Expenditure reimbursed	1.04	*
	Others	1.50	1.48
		64.09	**48.03**
Key Management Personnel	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	0.59	0.50
	Dividend paid	*	*
	Others	-	-
		0.59	**0.50**
Directors	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus) (Net of Cross Charges)	7.19	5.74
	Dividend paid	3.09	2.26
	Sitting fees	0.34	0.09
	Others	-	-
		10.62	**8.09**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2024	As at 31 March 2023
Relatives of Director	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	1.22	0.95
	Dividend paid	15.79	11.56
	Others	-	-
		17.01	**12.51**
Others Related Parties	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Dividend paid	0.69	0.50
	Others	-	-
		0.69	**0.50**
Total of above	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments (Maximum during the year 31st March 2024 :61.55 and 31st March 2023 :46.55)	61.55	46.55
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	9.00	7.19
	Dividend paid	19.57	14.32
	Sitting fees	0.34	0.09
	Expenditure reimbursed	1.04	*
	Others	1.50	1.48
		93.00	**69.63**

* Represents amount less than ₹ 50,000

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr No	Particulars	As at 31 March 2024	As at 31 March 2023
	Complaints received by the NBFC from its customers (refer note below)		
1.	Number of complaints pending at beginning of the year	14	2
2.	Number of complaints received during the year	2,729	1,193
3.	Number of complaints disposed during the year	2,735	1,181
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	8	14
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	76	34
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	76	34
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: This includes total complaint received by NBFC from customers (including Partner's) directly and from the office of Ombudsman.

2) Grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at 31 March 2024					
Bureau Updation Issue	3	526	129%	4	-
Collection Calls	3	1,698	286%	-	-
Disb / Payment related	-	162	23%	1	-
EMI and Tenure	4	62	(76%)	1	1
Loan Documents related	2	2	(93%)	-	-
Loan Related	1	14	(67%)	-	-
Loan Settlement	-	56	600%	-	-
Transparency and disclosures	-	3	(40%)	-	-
Product Related	1	84	190%	2	2
Others	-	122	481%	-	-
Total	**14**	**2,729**	**129%**	**8**	**3**
As at 31 March 2023					
Bureau Updation Issue	-	230	721%	3	-
Collection Calls	-	440	5400%	3	1
Disb / Payment related	-	132	560%	-	-
EMI and Tenure	1	255	8400%	4	-
Loan Documents related	-	30	1400%	2	2
Loan Related	1	43	72%	1	1
Loan Settlement	-	8	(43%)	-	-
Transparency and disclosures	-	5	100%	-	-
Product Related	-	29	100%	1	1
Others	-	21	110%	-	-
Total	**2**	**1,193**	**985%**	**14**	**5**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

52. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE VIII OF THE MASTER DIRECTION - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED 19 OCTOBER 2023 (UPDATED AS ON 21 MARCH 2024) ON SCHEDULE TO THE BALANCE SHEET OF AN NBFC ARE MENTIONED AS BELOW:

Liabilities side :

52.1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ In Crores)

Particulars	Year ended 31 March 2024	
	Amount outstanding	Amount overdue
(a) Debentures : Secured	645.67	-
: Unsecured	310.34	-
(other than falling within the meaning of Public deposits*)		
(b) Deferred credits	-	-
(c) Term loans	1,156.68	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Other loans:		
From banks	1,116.95	-

*Please see note 1 below

52.2 Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)

(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

*Please see note 1 below

Assets side:

52.3 Break-up of loans and advances including bills receivables (other than those included In (4) below)

(₹ In Crores)

	Amount outstanding
(a) Secured	4,961.85
(b) Unsecured	2,303.26

52.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities

(₹ In Crores)

	Amount outstanding
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	NA
(b) Operating lease	NA
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	NA
(b) Repossessed assets	NA
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	8.16
(b) Loans other than (a) above	NA

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

52.5 Break-up of investments :

(₹ In Crores)

				Amount outstanding
Current investments :				
1	Quoted :			
	(i) Shares :	(a)	Equity	-
		(b)	Preference	-
	(ii) Debentures and bonds			92.29
	(iii) Units of mutual funds			-
	(iv) Government securities			-
	(v) Others (please specify)			-
2	Unquoted :			
	(i) Shares :	(a)	Equity	-
		(b)	Preference	-
	(ii) Debentures and bonds			37.32
	(iii) Units of mutual funds			-
	(iv) Government securities			-
(v)	Others (Alternate investment fund and pass through certificates)			379.60
Long term investments :				
1	Quoted :			
	(i) Shares :	(a)	Equity	-
		(b)	Preference	-
	(ii) Debentures and bonds			61.18
	(iii) Units of mutual funds			6.14
	(iv) Government securities			-
	(v) Others (Alternate investment fund and pass through certificates)			130.57
2	Unquoted :			
	(i) Shares :	(a)	Equity	35.09
		(b)	Preference	20.00
	(ii) Debentures and bonds			19.24
	(iii) Units of mutual funds			-
	(iv) Government securities			-
	(v) Others (refer note 9)			6.46

52.6 Borrower group-wise classification of assets financed as in 52.3 and 52.4 above:

(₹ In Crores)

			Amount outstanding
Please see Note 2 below	**Amount net of provisions**		
Category	**Secured**	**Unsecured**	**Total**
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	4,912.81	2,222.86	7,135.67
Total	**4,912.81**	**2,222.86**	**7,135.67**

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

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

Please see note 3 below (₹ In Crores)

Category	Market value / break up or fair value or NAV	Book value (net of provisions)
1. Related parties **		
(a) Subsidiaries (refer note below)	75.48	61.55
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	726.16	726.16
Total	**801.64**	**787.71**

** As per Ind AS issued by Ministry Of Corporate Affairs (refer note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on 31 March 2024.

52.8 Other information

(₹ In Crores)

	Amount outstanding
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	190.58
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	116.41
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (at fair value in the case of Ind AS) in (5) above.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

53. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE II OF THE MASTER DIRECTION - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED 19 OCTOBER 2023 (UPDATED AS ON 21 MARCH 2024) ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS BY NBFC ARE MENTIONED AS BELOW:

As at 31 March 2024

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	7,026.21	29.21	6,997.00	27.85	1.36
	Stage 2	114.62	26.06	88.56	0.45	25.61
Subtotal		**7,140.83**	**55.26**	**7,085.57**	**28.30**	**26.96**
Non-performing assets ("NPA")						
Substandard	Stage 3	190.58	74.17	116.41	19.45	54.72
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**190.58**	**74.17**	**116.41**	**19.45**	**54.72**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	7,026.21	29.21	6,997.00	27.85	1.36
	Stage 2	114.62	26.06	88.56	0.45	25.61
	Stage 3	190.58	74.17	116.41	19.45	54.72
Grand total		**7,331.41**	**129.44**	**7,201.97**	**47.75**	**81.69**

As at 31 March 2023

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
Subtotal		5,819.36	50.11	5,769.25	23.22	26.89
Non-performing assets ("NPA")						
Substandard	Stage 3	132.70	53.35	79.35	13.82	39.53
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		132.70	53.35	79.35	13.82	39.53
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
	Stage 3	132.70	53.35	79.35	13.82	39.53
Grand total		5,952.06	103.46	5,848.60	37.04	66.42

* Computed on the value as per the IRACP norms.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2024 and 31 March 2023 and accordingly, no amount is required to be transferred to impairment reserve.

The disclosure requirement of the policy for sales out of amortised cost business model portfolios of the Company is not applicable to the Company.

54. THE DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION - MONITORING OF FRAUDS IN NBFCS ISSUED BY RBI DATED 29 SEPTEMBER 2016

There was 10 instance of fraud by customer amounting to ₹ 0.87 crores reported during the year ended 31 March 2024. (Previous year 31 March 2023 17 instances : ₹ 1.89).

55. The Company has complied with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications'. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgrade of Non performing accounts. However, the Company has not opted for this deferment.

56. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE XI OF THE MASTER DIRECTION - RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED 19 OCTOBER 2023 (UPDATED AS ON 21 MARCH 2024) ON LOANS TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTORS BY NBFC ARE MENTIONED AS BELOW:

Loans to Directors, Senior Officers and relatives of Directors

(₹ In Crores)

Particulars	As at 31 March 2024	As at 31 March 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	0.01

57. Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

Chandresh S. Shah
Partner
Membership No: 042132

Ahmedabad
24 April 2024

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
24 April 2024

Ankit Jain
(Chief Financial Officer)

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of MAS Financial Services Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us and the other auditors in terms of their report referred to in other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans:** Charge: ₹ 27.01 Crores for the year ended 31st March, 2024 Provision: ₹ 135.30 Crores as at 31st March, 2024 Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance.

Sr. No.	Key Audit Matter	Auditor's Response
	• Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Group companies'modelling approach. • Economic scenarios – Ind AS 109 requires the Group Companies to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 16.10% of ECL balances as at 31 March 2024. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Group. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the conssolidated financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Group companies' application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2	**Information Technology:** **IT Systems and controls** The Group Companies' key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. IT general and application controls are critical to ensure that changes to applications and underlying data are	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried during the year by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.

Sr. No.	Key Audit Matter	Auditor's Response
	made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	• Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and the changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

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

a) Identify and assess the risks of material misstatement of the Consolidated 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.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

d) 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary companies to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matter" in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

a) We did not audit the financial statements of subsidiary included in the Consolidated financial statements, whose financial statements reflect [the figures reported below are before giving effect to consolidation adjustments] total assets of ₹ 499.34 Crores as at March 31, 2024, total revenues of ₹ 62.46 Crores, total net profit after tax of ₹ 7.58 Crores, total comprehensive income of ₹ 5.72 Crores and net cash inflow amounting to ₹ 33.96

Crores for the year ended on that date, as considered in the consolidated financial statements. This financial statements has been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of a subsidiary were audited by other auditor, as noted in the "Other matter" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. The backup of the books of account and other books and papers maintained in electronic form, has been maintained on a daily basis on servers physically located in India during the year.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.

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

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses 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 Holding Company and its subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, 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 Holding Company or any of such subsidiary or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries")

or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid during the year by the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

The interim dividend declared and paid during the year by the Holding Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

As stated in notes to the consolidated financial statements, the Board of Directors of the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of Holding Company and Subsidiary Company at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Holding Company and its subsidiary companies incorporated in India have used accounting software for maintaining books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that in case of holding company and a subsidiary, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of such accounting software where such feature is enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), is applicable from April 1, 2013, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

vii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other auditors of its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except-

Sr. No.	Name of the entity	CIN	Holding company / Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	MAS Financial Services Limited	L65910GJ1995PLC026064	Holding Company	Clause (xi)(a)

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 24042132BJZWZG8914

Place: Ahmedabad
Date: April 24, 2024

"Annexure A" to the Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries companies, which are companies incorporated in India 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

OTHER MATTER

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 24042132BJZWZG8914

Place: Ahmedabad
Date: April 24, 2024

Consolidated Balance Sheet

as at 31 March 2024

(₹ in Crores)

	Note no.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	5	212.67	238.67
Bank balance other than cash and cash equivalents	6	665.83	565.29
Trade receivables	7	6.54	4.30
Loans	8	7,719.44	6,246.24
Investments	9	726.16	791.04
Other financial assets	10	78.86	61.63
Total financial assets		**9,409.50**	**7,907.17**
Non-financial assets			
Income tax assets (net)	30	2.52	2.52
Deferred tax assets (net)	30	11.85	19.33
Property, plant and equipment	11(a)	21.23	14.66
Capital work-in-progress	11(d)	69.80	57.66
Right-of-use asset	11(c)	3.19	1.18
Intangible assets under development	11(e)	0.24	0.33
Other intangible assets	11(b)	1.01	1.03
Other non-financial assets	12	28.00	11.34
Total non-financial assets		**137.84**	**108.05**
Total assets		**9,547.34**	**8,015.22**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.03	0.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		21.12	14.55
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.89	1.84
Debt securities	14	626.86	627.26
Borrowings (other than debt securities)	15	6,496.88	5,247.57
Subordinated liabilities	16	302.11	252.70
Other financial liabilities	17	258.36	310.34
Total financial liabilities		**7,707.25**	**6,454.39**
Non-financial liabilities			
Current tax liabilities (net)	30	4.70	2.06
Provisions	18	10.11	9.49
Other non-financial liabilities	19	6.71	4.61
Total non-financial liabilities		**21.52**	**16.16**
Total liabilities		**7,728.77**	**6,470.55**
EQUITY			
Equity share capital	20	163.99	54.66
Other equity	21	1,618.72	1,463.99
Equity attributable to the owners of the Holding Company		**1,782.71**	**1,518.65**
Non-controlling interest		**35.86**	**26.02**
Total equity		**1,818.57**	**1,544.67**
Total liabilities and equity		**9,547.34**	**8,015.22**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

(₹ in Crores)

		Note no.	Year ended 31 March 2024	Year ended 31 March 2023
I.	**Revenue from operations**			
	Interest income	22	1,077.09	834.04
	Gain on assignment of financial assets		122.32	71.47
	Fees and commission income		66.48	50.90
	Net gain on fair value changes	23	13.27	22.19
	Total revenue from operations		**1,279.16**	**978.60**
	Other income	24	6.52	2.43
	Total income		**1,285.68**	**981.03**
II.	**Expenses**			
	Finance costs	25	646.71	496.01
	Fees and commission expense		48.80	48.01
	Impairment on financial assets	26	90.61	53.36
	Employee benefits expenses	27	100.45	70.70
	Depreciation, amortization and impairment	28	4.29	2.72
	Others expenses	29	55.15	38.58
	Total expenses		**946.01**	**709.38**
	Profit before exceptional items and tax (I - II)		339.67	271.65
	Exceptional items		-	-
III.	**Profit before tax**		**339.67**	**271.65**
IV.	**Tax expense:**			
	Current tax	30	83.06	67.23
	Excess provision for tax relating to prior years	30	(0.21)	(2.47)
	Net current tax expense		**82.85**	**64.76**
	Deferred tax expense / (credit)	30	2.81	1.07
	Net tax expense		**85.66**	**65.83**
V.	**Profit for the year (III - IV)**		**254.01**	**205.82**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		(0.51)	0.08
	Income tax impact on above		0.13	(0.02)
	Total (A)		**(0.38)**	**0.06**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		19.08	(24.69)
	Income tax impact on above		(4.80)	6.21
	Total (B)		**14.28**	**(18.48)**
	Other comprehensive income (A+B)		**13.90**	**(18.42)**
VII.	**Total comprehensive income for the year (V + VI)**		**267.91**	**187.40**
VIII.	**Profit for the year attributable to**			
	Owners of the Holding Company		251.05	203.26
	Non-controlling interest		2.96	2.56
IX..	**Other comprehensive income attributable to**			
	Owners of the Holding Company		14.63	(18.84)
	Non-controlling interest		(0.73)	0.42
X.	**Total comprehensive income attributable to**			
	Owners of the Holding Company		265.68	184.42
	Non-controlling interest		2.23	2.98
XI.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		15.31	12.39
	Diluted (₹)		15.31	12.39

See accompanying notes to the financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
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(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Equity share of ₹ 10 each issued, subscribed and fully paid	
Restated balance at 1 April 2022	54.66
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2023	**54.66**
Changes in equity share capital during the year	109.32
Balance at 31 March 2024	**163.99**

(B) OTHER EQUITY

(₹ in Crores)

	Reserves and surplus					Other comprehensive income		Total
	Reserve u/s. 45-IC of RBI Act, 1934	Reserve fund u/s. 29-C of NHB Act, 1987	Equity component of compound financial instruments	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Restated balance at 31 March 2022	**211.91**	4.70	**0.11**	**426.95**	**537.08**	* 0.00	**114.50**	**1,295.25**
Profit for the year	-	-	-	-	203.26	-	-	203.26
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	0.06	-	-	0.06
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(15.17)	(15.17)
Final dividend on equity shares	-	-	-	-	(9.57)	-	-	(9.57)
Interim dividend on equity shares	-	-	-	-	(9.84)	-	-	(9.84)
Transfer to reserve u/s. 45-IC of RBI Act, 1934	40.19	-	-	-	(40.19)	-	-	-
Transfer to reserve u/s. u/s. 29-C of NHB Act,1987	-	1.17	-	-	(1.17)	-	-	-
Restated balance at 31 March 2023	**252.10**	5.87	**0.11**	**426.95**	**679.63**	* 0.00	**99.33**	**1,463.99**
Profit for the year	-	-	-	-	251.05	-	-	251.05
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	(0.38)	-	-	(0.38)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	42.02	42.02
Final Dividend on equity shares	-	-	-	-	(10.11)	-	-	(10.11)
Interim Dividend on equity shares	-	-	-	-	(16.40)	-	-	(16.40)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	49.55	-	-	-	(49.55)	-	-	-
Transfer to reserve u/s. 29-C of NHB Act,1987	-	1.21	-	-	(1.21)	-	-	-
Effect of changes in the Group's interest	-	0.11	0.01	-	(2.28)	-	0.03	(2.13)
On issue of bonus shares	-			(109.32)	-	-	-	(109.32)
Balance at 31 March 2024	**301.65**	**7.19**	**0.12**	**317.63**	**850.75**	*** 0.00**	**141.38**	**1,618.72**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

Chandresh S. Shah
Partner
Membership No: 042132

Ahmedabad
24 April 2024

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
24 April 2024

Ankit Jain
(Chief Financial Officer)

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

(₹ in Crores)

		Year ended 31 March 2024		Year ended 31 March 2023	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		339.67		271.65
	Adjustments for :				
	Depreciation and amortisation	4.29		2.72	
	Finance cost	646.71		496.01	
	Impairment on financial assets	90.61		53.36	
	(Profit) / loss on sale of property, plant and equipment	(0.04)		(0.10)	
	Interest income	(1,077.09)		(834.04)	
	Gain on assignment of financial assets	(122.32)		(71.47)	
	Net gain on fair value changes	(2.48)		(2.83)	
	Net gain on sale of investments measured at amortized cost	(4.84)		(1.35)	
	Unrealised gain on foreign exchange	(0.06)		-	
	Gain on derecognition of leased asset	(0.04)		-	
			(465.26)		(357.70)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(125.59)**		**(86.05)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(1,380.87)		(1,424.68)	
	Trade receivables	(2.24)		(3.25)	
	Advances received against loan agreements	0.47		(6.04)	
	Bank balance other than cash and cash equivalents	(100.54)		20.73	
	Other financial asset	(6.04)		(14.85)	
	Other non-financial asset	(17.16)		(7.07)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payable and other payable	6.52		0.38	
	Other financial liabilities	(16.06)		(172.99)	
	Other non-financial liabilities	2.10		(4.55)	
	Provisions (Also refer note 34)	0.62	(1,513.20)	2.32	(1,610.00)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,638.79)**		**(1,696.05)**
	Interest income received	975.40		767.52	
	Interest income on Investment measured at amortised cost	76.48		48.61	
	Finance cost paid	(698.94)		(484.55)	
	Income tax paid (net)	(80.20)	272.74	(61.47)	270.11
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(1,366.05)**		**(1,425.94)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(22.29)		(10.95)	
	Proceeds from sale of property, plant and equipments and intangible assets	0.11		0.24	
	Purchase of investments	(2,628.30)		(2,886.72)	
	Redemption of investments	2,700.56		2,593.38	
	Profit on redemption of long term investment	-		-	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**50.08**		**(304.05)**

Consolidated Statement of Cash Flows (contd.)

for the year ended 31 March 2024

		Year ended 31 March 2024		Year ended 31 March 2023	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of shares (net)	5.00		0.01	
	Proceeds from debt securities and borrowings	3,842.18		3,193.32	
	Repayments of debt securities and borrowings	(2,319.84)		(1,283.55)	
	Short term loans (Net)	(210.28)		(206.03)	
	Repayment of lease liabilities	(0.54)		(0.28)	
	Dividends paid	(26.55)		(19.45)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,289.97**	**(19.45)**	**1,684.02**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(26.00)**		**(45.97)**
	Cash and cash equivalents at the beginning of the year		238.67		284.64
	Cash and cash equivalents at the end of the year (refer note 1 below)		**212.67**		**238.67**

Notes:

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
1.	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	0.32	0.23
	(b) Balances with banks	127.06	68.36
	(c) Bank deposits with original maturity of 3 months or less	85.29	170.08
	Cash and cash equivalents as per the balance sheet	**212.67**	**238.67**

2. The above cash flow statement has been prepared under the "Indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3. The Group as at 31 March 2024 has undrawn borrowing facilities amounting to ₹ 2590.78 crores that may be available for future operating activities and to settle capital commitments.

4. Change in liabilities arising from financing activities

	31 March 2023	Cash flows	Non-cash changes*	31 March 2024
Debt securities	627.26	-	(0.40)	626.86
Borrowings other than debt securities	5,247.57	1,262.06	(12.75)	6,496.88
Subordinated liabilities	252.70	50.00	(0.59)	302.11
Total liabilities from financing activities	**6,127.53**	**1,312.06**	**(13.74)**	**7,425.85**
	31 March 2022	**Cash flows**	**Non-cash changes***	**31 March 2023**
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings other than debt securities	3,939.97	1,317.49	(9.89)	5,247.57
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,439.22**	**1,703.74**	**(15.43)**	**6,127.53**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
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Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

1. A CORPORATE INFORMATION

MAS Financial Services Limited (the "Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited and MASFIN Insurance Broking Private Limited (hereinafter referred to as the "Group") are public companies domiciled in India. The Holding Company is registered as a non deposit taking non-banking finance company ("NBFC") with Reserve Bank of India ("RBI"). MAS Rural Housing & Mortgage Finance Limited is registered as a non deposit taking housing finance company ("HFC") with National Housing Bank ("NHB"). The Group is engaged in the business of providing Micro Enterprise Loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"),Salaried Personal loans ("SPL"), Commercial Vehicle loans ("CV"), loans to NBFCs, housing loans, commercial property loans and project loans for real estate projects to customers especially in the segment of affordable housing in rural and urban areas. MASFIN Insurance Broking Private Limited is acting as an agent in providing insurance services. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited and the National Stock Exchange of India Limited.

The Holding Company's registered office is at 6, Ground Floor, Narayan Chambers, behind Patang Hotel, Ashram Road, Ahmedabad - 380009, Gujarat, India.

B RECENT ACCOUNTING DEVELOPMENTS:

The following Indian Accounting Standards have been modified on miscellaneous issues with effect from April 1, 2023. Such changes include clarification/guidance on:

(i) Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with right-of-use assets, lease liabilities,decommissioning / restoration / similar liabilities.

ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(iv) Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.

(v) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of the above amendments had any material effect on the group's financial statements,except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance and principles of consolidation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Principles of consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110

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for the year ended 31 March 2024 (Contd.)

on 'Consolidated Financial Statements' specified under Section 133 of the Act.

i) Subsidiary -

Subsidiary in an entity controlled by the Holding Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. 31 March 2024. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

v) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

				% of holding and voting power as at	
Name of the Entity	**Relationship**	**Country of incorporation**	**Ownership held by**	**31 March 2024**	**31 March 2023**
MAS Rural Housing & Mortgage Finance Limited	Subsidiary company	India	MAS Financial Services Limited	60.77%	59.67%
MASFIN Insurance Broking Private Limited	Subsidiary company	India	MAS Financial Services Limited	69.00%	69.00%
MASFIN Insurance Broking Private Limited	Associate Company	India	MAS Rural Housing and Mortgage Finance Limited	30.00%	30.00%

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on accrual basis, except for certain financial instruments which are measured at fair value as required by relevant Ind AS.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the "functional currency"). Amounts in the consolidated financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer note 3.8 and note 41.

ii) Effective interest rate ("EIR") method

"The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument."

iii) Impairment of financial asset

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

The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

v) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

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

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

2.5 Presentation of the consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Sr No.	Material Accounting Policies	Reference In Balance Sheet & Profit And Loss Notes
1	Recognition of interest income	22
2	Impairment of financial assets	8.1, 26
3	Property, plant and equipment	11(a)
4	Financial instrument	41
5	Intangible assets	11(e), 11(b)
6	Leases	11(c), 44
7	Retirement and other employee benefits	27, 40
8	Finance Cost	25

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in note 3.8), transaction costs are added to, or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, the financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

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

ii) Financial assets measured at FVOCI

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

iii) Financial assets at FVTPL

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

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the EIR method.

3.4 Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Group changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or

Notes to the Consolidated Financial Statements

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loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of the ECL principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

ECL are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Group records an allowance for life time ECL.

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for the year ended 31 March 2024 (Contd.)

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. The calculation of ECLs

For retail loans

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities andaccrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS) % LGD = 1 – recovery rate"

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework (International Regulatory Framework of Banks) for all the level of credit rating portfolio.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EAD and LGDs are reviewed. While at every year end, PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Loan commitments:

When estimating ECL for undrawn loan commitments, the Group estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Group monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Group has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

the inputs to the fair value measurement in its entirety, which are described as follows:

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

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

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

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

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

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation changes and portfolio monitoring fees etc. are recognised on point in time basis.

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3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method. Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

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.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.All assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipment - 3 to 15 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is purchased or ready for its intended use.

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.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'."

3.13 Impairment of non financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Retirement and other employee benefits

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life Insurance Corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax (i.e. profit attributable to the owners of the parent) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Holding Company when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

3.20 Repossessed asset

In the normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.21 (I) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

(II) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

i) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

ii) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

iii) It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency exchange rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.32	0.23
Balances with banks:		
In current / cash credit accounts	127.06	68.36
Bank deposits with original maturity of 3 months or less	85.29	170.08
Total cash and cash equivalents	**212.67**	**238.67**

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
In current accounts (refer note 1 below)	0.14	0.12
Earmarked balances with banks:		
Unclaimed dividend bank balances	0.02	0.02
Unspent CSR bank balances	5.72	5.34
In fixed deposit accounts:		
Deposits given as security against borrowings and other commitments	23.45	22.74
Bank deposits with original maturity of more than 3 months (refer note 2 below)	636.50	537.07
Total bank balance other than cash and cash equivalents	**665.83**	**565.29**

Note:

1. Balance represents balance with banks in earmarked account i.e. “collection and pay-out account”.
2. Represents bank deposits against overdraft facility except balance amounting to ₹ 1.63 crore as regular deposit.

7 TRADE RECEIVABLES

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	6.54	4.30
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total trade receivables	**6.54**	**4.30**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous year: ₹ Nil).
2. . There is no due by directors or other officers of the Group or any firm or private company in which any director is a partner, a director or a member.

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for the year ended 31 March 2024 (Contd.)

Trade Receivables ageing schedule as at 31 March 2024

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	5.12	1.27	0.15	-	-	6.54
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2023

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4.03	0.15	0.12	-	-	4.30
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8. LOANS

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(A) (I) Bills Receivables	-	121.07	121.07	-	82.38	82.38
Less: Impairment loss allowance	-	(0.27)	(0.27)	-	(0.53)	(0.53)
Total (A) (I)-Net	**-**	**120.80**	**120.80**	**-**	**81.85**	**81.85**
(A) (II) Term Loans - Gross	7,448.93	152.22	7,601.15	6,038.39	128.76	6,167.15
Less: Impairment loss allowance	-	(2.51)	(2.51)	-	(2.76)	(2.76)
Total (A) (II)-Net	**7,448.93**	**149.71**	**7,598.64**	**6,038.39**	**126.00**	**6,164.39**
Total (A) - Net	**7,448.93**	**270.51**	**7,719.44**	**6,038.39**	**207.85**	**6,246.24**
(B) (i) Secured by tangible assets	5,145.67	273.29	5,418.96	4,510.85	211.14	4,721.99
(ii) Unsecured	2,303.26	-	2,303.26	1,527.54	-	1,527.54
Total (B) - Gross	**7,448.93**	**273.29**	**7,722.22**	**6,038.39**	**211.14**	**6,249.53**
Less: Impairment loss allowance	-	(2.78)	(2.78)	-	(3.29)	(3.29)
Total (B) - Net	**7,448.93**	**270.51**	**7,719.44**	**6,038.39**	**207.85**	**6,246.24**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(C) (I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Private Sector	7,448.93	273.29	7,722.22	6,038.39	211.14	6,249.53
Total (C) - Gross	**7,448.93**	**273.29**	**7,722.22**	**6,038.39**	**211.14**	**6,249.53**
Less: Impairment loss allowance	-	(2.78)	(2.78)	-	(3.29)	(3.29)
Total (C) (I) - Net	7,448.93	270.51	7,719.44	6,038.39	207.85	6,246.24
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II) - Net	-	-	-	-	-	-
Total C(I) and C(II)	**7,448.93**	**270.51**	**7,719.44**	**6,038.39**	**207.85**	**6,246.24**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person

Particulars	As at 31 March 2024	% to the total Loans and Advances in the nature of loans	As at 31 March 2023	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	0.13	0.00%
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

Notes:

1 . The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

8.1 An analysis of changes in the gross carrying amount of loans is given below*

(₹ In Crores)

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,028.25**	**128.70**	**135.19**	**6,292.14**	**4,632.12**	**108.83**	**106.51**	**4,847.46**
Changes in opening credit exposures (net of repayment and excluding write off)	(4,351.55)	(65.35)	(48.93)	(4,465.83)	(3,262.82)	(36.72)	(39.43)	(3,338.97)
New assets originated (net of repayment)**	5,877.31	82.37	54.18	6,013.86	4,738.69	68.37	20.77	4,827.83
Transfers from Stage 1	(105.52)	45.59	59.93	-	(91.83)	39.23	52.60	-
Transfers from Stage 2	6.82	(50.80)	43.98	-	11.85	(50.94)	39.09	-
Transfers from Stage 3	1.33	0.36	(1.69)	-	0.41	-	(0.41)	-
Amounts written off	(0.13)	(1.58)	(47.32)	(49.03)	(0.17)	(0.07)	(43.94)	(44.18)
Gross carrying amount closing balance	**7,456.51**	**139.29**	**195.34**	**7,791.14**	**6,028.25**	**128.70**	**135.19**	**6,292.14**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 10)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

8.2 Reconciliation of ECL balance is given below

(₹ In Crores)

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**31.82**	**22.37**	**54.10**	**108.29**	**46.38**	**13.38**	**45.19**	**104.95**
Changes in opening credit exposures (net of repayment and excluding write off)	2.98	2.90	(14.07)	(8.19)	(11.12)	4.50	(10.32)	(16.94)
New assets originated (net of repayment)	24.14	18.22	19.13	61.49	25.68	13.15	6.90	45.73
Transfers from Stage 1	(28.91)	9.58	19.33	-	(29.17)	6.56	22.61	-
Transfers from Stage 2	0.08	(23.31)	23.23	-	0.05	(15.18)	15.13	-
Transfers from Stage 3	* 0.00	0.05	(0.05)	-	* 0.00	-	* 0.00	-
Amounts written off	* 0.00	(0.25)	(26.04)	(26.29)	-	(0.04)	(25.41)	(25.45)
ECL allowance - closing balance	**30.11**	**29.56**	**75.63**	**135.30**	**31.82**	**22.37**	**54.10**	**108.29**

* Represents amount less than ₹ 50,000

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 49.03 crores at 31 March 2024 (31 March 2023: ₹ 44.18 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Group has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 43.

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Group's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Group's internal grades are explained in note 43.1.

(₹ In Crores)

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grade								
Performing								
High quality assets	7,456.49	-	-	7,456.49	6,028.25	-	-	6,028.25
Quality assets	-	68.82	-	68.82	-	85.95	-	85.95
Standard assets	-	70.48	-	70.48	-	42.75	-	42.75
Non- performing								
Sub standard assets	-	-	97.23	97.23	-	-	45.96	45.96
Low quality assets	-	-	98.12	98.12	-	-	89.23	89.23
Total	**7,456.49**	**139.30**	**195.35**	**7,791.14**	**6,028.25**	**128.70**	**135.19**	**6,292.14**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

9. INVESTMENTS

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total
Investments						
Alternative investment funds	-	2.36	2.36	-	38.97	38.97
Pass through certificates under securitization transactions	507.81	-	507.81	527.76	-	527.76
Market linked debentures	-	50.95	50.95	-	188.25	188.25
Non - convertible debentures	159.08	-	159.08	31.62	-	31.62
Mutual fund units	-	6.14	6.14	-	4.68	4.68
Total – Gross (A)	666.89	59.45	726.34	559.38	231.90	791.28
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	666.89	59.45	726.34	559.38	231.90	791.28
Total (B)	666.89	59.45	726.34	559.38	231.90	791.28
Less: Allowance for impairment loss (C)	**(0.18)**	**-**	**(0.18)**	**(0.24)**	**-**	**(0.24)**
Total – Net D= (A)-(C)	**666.71**	**59.45**	**726.16**	**559.14**	**231.90**	**791.04**

10. OTHER FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Security deposits	1.72	1.17
Derivative financial instruments	2.02	-
Interest accrued but not due on investments	2.75	2.43
Spread receivable on assigned portfolio	68.92	42.61
Advances to dealers	3.45	7.63
Other Recievable	-	7.79
Total other financial assets	**78.86**	**61.63**

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Crores)

	Property, plant and equipment (a)					Intangible assets (b)		
Nature of assets	**Buildings**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Total**	**Software**	**Other intangibles**	**Total**
Cost								
At 31 March 2022	**6.68**	**5.15**	**3.54**	**3.89**	**19.26**	**0.62**	*** 0.00**	**0.62**
Additions	-	1.83	1.26	0.95	4.04	1.04	-	1.04
Disposals	-	-	-	0.42	0.42	-	-	-
At 31 March 2023	**6.68**	**6.98**	**4.80**	**4.42**	**22.88**	**1.66**	*** 0.00**	**1.66**
Additions	-	3.45	2.35	3.94	9.74	0.50	-	0.50
Disposals	-	0.05	-	1.02	1.07	-	-	-
At 31 March 2024	**6.68**	**10.38**	**7.15**	**7.34**	**31.55**	**2.16**	*** 0.00**	**2.16**
Depreciation/Amortisation								
At 31 March 2022	**0.55**	**2.74**	**1.17**	**1.87**	**6.33**	**0.40**	*** 0.00**	**0.40**
Depreciation/amortization charge	0.11	0.98	0.52	0.56	2.17	0.23	* 0.00	0.23
Disposal	-	* 0.00	-	0.28	* 0.28	-	-	-
At 31 March 2023	**0.66**	**3.72**	**1.69**	**2.15**	**8.22**	**0.63**	*** 0.00**	**0.63**
Depreciation/amortization charge	0.11	1.52	0.81	0.66	3.10	0.52	-	0.52
Disposal	-	0.04	-	0.96	1.00	-	-	-
At 31 March 2024	**0.77**	**5.20**	**2.50**	**1.85**	**10.32**	**1.15**	*** 0.00**	**1.15**
Net block value:								
At 31 March 2023	6.02	3.26	3.11	2.27	14.66	1.03	* 0.00	1.03
At 31 March 2024	**5.91**	**5.18**	**4.65**	**5.49**	**21.23**	**1.01**	*** 0.00**	**1.01**

* Represents amount less than ₹ 50,000

Note: No revaluation of any class of asset is carried out during the year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

11 (c) Right-of-use Asset

The details of the right-of-use asset held by the Group is as follows:

Office Premises	
At 31 March 2022	**3.18**
Additions	0.89
Disposals	-
At 31 March 2023	**4.07**
Additions	3.50
Disposals	1.59
At 31 March 2024	**5.98**
Depreciation	
At 31 March 2022	**2.57**
Additions	0.32
Disposals	* 0.00
At 31 March 2023	**2.89**
Additions	0.67
Disposals	0.77
At 31 March 2024	**2.79**
Net Block Value:	
At 31 March 2023	**1.18**
At 31 March 2024	**3.19**

11 (d) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.01 crores (31 March 2023: ₹ 1.24 crores). Finance costs are capitalised at MCLR + 1.15% p.a. - presently 10.30% p.a. for the year ended 31 March 2024.

Capital work-in-progress	
Capital work-in-progress	
At 31 March 2022	52.04
Additions	5.62
Disposals	**-**
At 31 March 2023	**57.66**
Additions	**12.14**
Disposals	-
At 31 March 2024	**69.80**

Capital work in progress Ageing Schedule

(₹ In Crores)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	12.14	5.72	1.91	50.03	69.80
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.22	57.66
Projects temporarily suspended	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Crores)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
MAS headquarters	-	-	-	69.80	69.80
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66

11 (e) Intangible assets under development

Intangible assets under development	
At 31 March 2022	**0.04**
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**
Additions	0.24
Disposals	0.33
At 31 March 2024	**0.24**

Intangible assets under development aging schedule

(₹ In Crores)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	0.24	-	-	-	0.24
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-

12. OTHER NON-FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	14.36	4.48
Advances to employees	0.19	0.13
Re-possessed assets	8.16	3.54
Balance with Government Authorities	2.39	1.67
Capital advances	0.03	0.02
Gratuity fund [refer note 40(b)]	1.59	0.69
Other advances	1.28	0.81
Total	**28.00**	**11.34**

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for the year ended 31 March 2024 (Contd.)

13. PAYABLES

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
(a)	**Trade payables**		
	(i) total outstanding dues of micro enterprises and small enterprises	0.03	0.13
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	21.12	14.55
(b)	**Other payables**		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.89	1.84
Total		**23.04**	**16.52**

Trade Payables aging schedule

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
(i) MSME	0.03	-	-	-	0.03
(ii) Others	21.12	-	-	-	21.12
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2023					
(i) MSME	0.13	-	-	-	0.13
(ii) Others	14.55	-	-	-	14.55
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		As at 31 March 2024	As at 31 March 2023
(a)	Dues remaining unpaid to any supplier at the year end		
	- Principal	-	0.13
	- Interest on above	-	-
(b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d)	Amount of interest accrued and remaining unpaid	-	-
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises		-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

14. DEBT SECURITIES (AT AMORTISED COST) (REFER NOTE 14.1)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Secured non-convertible debentures	531.25	31.25
Secured Market Linked debenture	100.00	600.00
Less: Unamortised borrowing costs	(4.39)	(3.99)
Total	**626.86**	**627.26**
Debt securities in India	626.86	627.26
Debt securities outside India	-	-
Total	**626.86**	**627.26**

14.1 Details of terms of redemption/repayment in respect of debt securities:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Debentures				
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	6.25	31.25	Coupon Rate: Benchmark Rate +173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Quarterly Tenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10,000, secured, listed, rated, unsubordinated, redeemable, transferable, non-convertible debentures ₹1,00,000 each	100.00	-	"Coupon Rate:Benchmark Rate +271 bps Coupon Payment frequency : Quartyerly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 3 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10000, rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures of ₹1,00,000 each	100.00	-	"Coupon Rate:Fixed Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
12,500, fully paid, senior, secured, listed, rated, taxable, redeemable, transferable, non-convertible debentures ₹1,00,000 each	125.00	-	"Coupon Rate:Benchmark Rate +266 bps Coupon Payment frequency : Yearly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
20,000 rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures of ₹1,00,000 each	200.00	-	"Coupon Rate: Benchmark rate Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Semi annualy Tenor : 4 years	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	"Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Market Linked Debentures	-	100.00	"Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	"Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	100.00	"Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	"Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	**631.25**		

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
(a) Term loans (refer note 15.1)		
(i) from banks		
-In Indian Rupees	3,544.32	3,170.77
-In Foreign Currency [refer note 43.3(b)]	602.18	-
(ii) from NHB	22.36	28.53
(iii) from other parties (financial institutions)	1,254.76	751.98
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	-	20.35
(c) Short term loans from banks (Refer note below)	1,114.50	1,304.43
Less: Unamortised borrowing costs	(41.24)	(28.49)
Total	**6,496.88**	**5,247.57**
Secured	6,471.97	5,222.70
Unsecured	24.91	24.87
Total	**6,496.88**	**5,247.57**
Borrowings in India	6,496.88	5,247.57
Borrowings outside India	-	-
Total	**6,496.88**	**5,247.57**

Note:

For cash credit / Overdraft and short term loans

a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Group and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

on some of the Group's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

b) Interest rate range

Interest rate ranges from 8.75 % p.a. to 10.85 % p.a. as at 31 March 2024.

Interest rate ranges from 4.00 % p.a. to 11.55 % p.a. as at 31 March 2023.

The Group has not defaulted in repayment of borrowings and interest.

The Group has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts of the Group.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 7972.01 crores (31 March 2023: ₹ 6631.46 crores).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)				
Term Loan - 1	-	8.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	25.00	58.33	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	27.95	43.95	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Holding Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	74.99	105.00	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	66.67	133.33	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	41.67	83.33	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 7	50.09	70.03	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the Holding Company out of the proposed term loan to the Holding Company.

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for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 8	-	27.27	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 9	18.18	36.36	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 10	8.45	12.24	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 11	0.34	2.58	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 12	1.35	10.32	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 13	0.56	4.30	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 14	1.14	3.40	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 15	4.55	13.60	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 16	1.90	5.67	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 17	2.13	4.45	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 18	8.53	17.80	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 19	3.55	7.42	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 20	-	13.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .
Term Loan - 21	27.94	50.11	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 22	55.64	77.78	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 23	20.00	40.00	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

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for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 24	8.30	24.98	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 25	-	6.50	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 26	-	25.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 27	5.00	10.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 28	21.53	65.99	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 29	42.09	63.16	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 30	164.93	225.00	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	53.85	84.62	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 32	97.50	127.50	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	133.33	200.00	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	24.96	41.66	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of Holding Company.

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for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 35	15.00	25.00	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 36	54.55	75.00	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 37	19.07	33.60	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 38	51.08	83.55	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 39	34.72	50.00	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 40	62.50	87.50	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loan - 41	112.50	142.50	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 42	68.75	93.75	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loan - 43	120.00	150.00	Repayable in 20 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	41.64	75.00	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 45 (refer note below)	300.33	380.00	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Note : Out of the Above ₹ 300.33 crore outstanding as on 31 March 2024, ₹ 23.29 crore is in Indian Rupees and remaining amount of ₹ 277.04 crore is in foreign currency.				
Term Loan - 46	25.00	30.00	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the Holding Company
Term Loan - 47	16.00	29.71	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .

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for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 48	11.66	18.33	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loan - 49	14.17	24.17	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Holding Company
Term Loan - 50	126.92	-	Repayable in 13 Quarterly installments from 20 December 2023	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 51	23.08	-	Repayable in 13 Quarterly installments from 16 March 2024 .	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 52	170.00	-	Repayable in 20 Quarterly installments from 30 September 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 53	18.10	-	Repayable in 36 monthly installments from 01 June 2023	First and Exclusive charge by Hypothecation of Book Debts
Term Loan - 54	89.97	-	Repayable in 20 Quarterly installments from 31 Decemmber 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the Holding Company out of the proposed term loan to the Holding Company.
Term Loan - 55	22.91	-	Repayable in 12 Quarterly Installments from 28 March, 2024	Exclusive charge on book debts by way of hypothecation on specific standard receivables of the Holding Company
Term Loan - 56	50.00	-	Repayable in 36 monthly installments from 28 April 2024.	Exclusive charge on the specific standard book debts/loan receivables of Holding Company.
Term Loan - 57	44.00	-	Repayable in 36 monthly installments from 7 May 2024.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 58	84.86	-	Repayable in 36 monthly installments from 7 February 2024.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 59	82.86	-	Repayable in 36 monthly installments from 7 October 2023.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 60	135.00	-	Repayable in 20 Quarterly installments from 30 November 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 61	67.50	-	Repayable in 20 Quarterly installments from 28 December 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 62	71.25	-	Repayable in 20 Quarterly installments from 05 February 2024	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 63	37.50	-	Repayable in 12 Quarterly installments from 30 September 2023.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 64	41.67	-	Repayable in 12 Quarterly Installments from 31 October 2023	Hypothecation on the Specific unencunbered secured standard loan receivales and book debts of the Holding Company arising from loans and advances.
Term Loan - 65	75.00	-	Repayable in 36 monthly installments from 30 July 2023.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .
Term Loan - 66 (refer note below)	451.52	-	Repayable in 20 Quarterly installments from 25 December 2023.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Note : Out of the Above ₹ 451.52 crore outstanding as on 31 March 2024, ₹ 151.52 crore is in Indian Rupees and remaining amount of 300 crore is in foreign currency				
Term Loan - 67	100.00	-	Repayable in 36 monthly installments from 30 April 2024.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .
Term Loan - 68	83.30	-	Repayable in 12 Quarterly installments from 31 December 2023.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 69	187.50	-	Repayable in 16 Quarterly Installments from 31 march, 2024	Exclusive First charge by way of hypothecation over speicifc Standard receivables.
Term Loan - 70	-	5.00	"Repayment in 36 Monthly Instalments from 03 April 2021 "	The Term loan shall be secured by exclusive hypothecation of present & future loan receivables of the MRHMFL created out of the loan. Personal Guarantee of Mr. Kamlesh Gandhi.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 71	-	1.05	"Repayment in 24 Quarterly Instalments starting from 31 March 2017 "	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 72	-	0.39	"Repayment in 24 Quarterly Instalments starting from 31 March 2017 "	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 73	-	0.21	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 74	-	0.83	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 75	2.48	4.56	Repayment in 57 Monthly Instalments starting from 30 October 2020	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL out of the bank finance to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 76	13.94	21.33	Repayment in 60 Monthly Instalments starting from 30 July 2021	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL out of the bank finance to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 77	2.06	3.74	Repayment in 24 Quarterly Instalments starting from 31 January 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 78	1.22	2.06	Repayment in 24 Quarterly Instalments starting from 30 September 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 79	3.69	5.35	Repayment in 24 Quarterly Instalments from 31 December 2020	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 80	6.84	9.97	Repayment in 24 Quarterly Instalments from 30 June 2021	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 81	6.99	11.10	Repayment in 26 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 82	0.40	2.08	Repayment in 24 Quarterly Instalments from 31 March 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the MRHMFL (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 83	-	11.11	Repayment in 18 Quarterly Instalments from 30 June 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the MRHMFL (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 84	4.50	6.50	Repayment in 20 Quarterly Instalments from 25 September 2021	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the MRHMFL out of the bank financed to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 85	24.21	32.00	Repayment in 10 Quarterly Instalments from 25 June 2022	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL out of the bank finance to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 86	6.78	8.21	Repayment in 28 Quarterly Instalments from 31 March 2022	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the MRHMFL out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 87	7.00	9.00	Repayment in 20 Quarterly Instalments from 22 December 2022	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the MRHMFL out of the bank financed to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 88	19.63	25.00	Repayment in 48 Monthly Instalments from 15 April 2023	First Exclusive charge by way of hypothecation on the MRHMFL's present and future loan receivables. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 89	8.21	9.64	Repayment in 28 Quarterly Instalments from 8 March 2023	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the MRHMFL out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 90	24.07	-	Exclusive charge by way of hypothecation of such book debts , which are financed/to be financed by the company out of bank finance.	Exclusive charge by way of hypothecation of such book debts , which are financed/ to be financed by the MRHMFL out of bank finance.
Term Loan - 91	14.46	-	Repayment in 84 monthly installments from 21 January 2024	Exclusive charge by way of hypothecation of specific loan receivables/ book debts of the MRHMFL.
Term Loan - 92	9.00	-	Repayment in 20 Quarterly Instalments from 27 December 2023	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 93	5.00	-	Repayment in 60 monthly installments from 07 May 2024	First & Exclusive Hypothecation of book debts / receivables
Term Loan - 94	22.50	-	Repayment in 20 Quarterly Instalments from 30 November 2023	Exclusive charge on present and future book debts and receivables
Term Loan - 95	9.73	-	Repayment in 84 monthly installments from 30 January 2024	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 96	25.15	-	Repayment in 40 Quarterly Instalments from 30 April 2024	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Note: Out of the Above ₹ 25.15 crore outstanding as on 31 March 2024, ₹ 0.01 crore is in Indian Rupees and remaining amount of ₹ 25.14 crore is in foreign currency				
Term Loan - 97	13.39	-	Repayment in 28 Quarterly Instalments from 30 September 2023	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 98	13.25	-	Repayment in 60 Monthly Instalments starting from 25 September 2023	First and Exclusive Charge on book debt/ Loan Assets of the MRHMFL
Total term loans from banks	**4,146.50**	**3,170.77**		

Note (i):

Interest rate ranges from 6.76% p.a to 11.70% p.a as at 31 March 2024.

Interest rate ranges from 8.65% p.a to 11.90% p.a as at 31 March 2023.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term loans from NHB (Refer note ii)				
Term Loan from NHB - 1	0.73	1.25	Repayment in 39 Quarterly Instalments from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 2	1.04	1.48	Repayment in 39 Quarterly Instalments from 01 October 2017	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 3	1.12	1.38	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 4	-	0.10	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 5	1.96	2.35	Repayment in 60 Quarterly Instalments from 01 July 2020	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 6	1.80	2.12	Repayment in 39 Quarterly Instalments from 01 October 2020	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 7	0.50	0.62	Repayment in 39 Quarterly Instalments from 31 July 2020	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 8	0.46	0.79	Repayment in 51 Quarterly Instalments from 01 July 2014	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 9	4.76	6.52	Repayment in 27 Quarterly Instalments from 01 October 2022	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan from NHB - 10	1.41	1.94	Repayment in 36 Quarterly Instalments from 01 October 2022	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from NHB - 11	4.38	5.00	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 12	3.96	4.73	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 13	0.23	0.27	Repayment in 40 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Total term loans from NHB	**22.36**	**28.53**		

Note (ii):

Interest rate ranges from 2.80% p.a to 9.60% p.a as at 31 March 2024.

Interest rate ranges from 2.80% p.a to 8.90% p.a as at 31 March 2023.

Term loans from others (Refer note iii)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term loans from others (Refer note iii)				
"Term Loans from a Financial Institution - 1"	-	8.50	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Holding Company created out of the loan availed.
"Term Loans from a Financial Institution - 2"	-	5.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Holding Company created out of the loan availed.
"Term Loans from a Financial Institution - 3"	25.00	25.00	Bullet Repayment on 17 August 2026.	N.A.
"Term Loans from a Financial Institution - 4"	8.33	25.00	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Holding Company created out of the loan availed.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
"Term Loans from a Financial Institution - 5"	20.00	33.33	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the Holding Company
"Term Loans from a Financial Institution - 6"	37.25	62.08	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
"Term Loans from a Financial Institution - 7"	80.00	120.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
"Term Loans from a Financial Institution - 8"	36.35	50.00	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
"Term Loans from a Financial Institution - 9"	75.00	135.00	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
"Term Loans from a Financial Institution - 10"	75.70	129.10	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
"Term Loans from a Financial Institution - 11"	53.53	85.05	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
"Term Loans from a Financial Institution - 12"	21.88	-	Repayable in 8 Quarterly installments from 31 March 2024	Secured by exclusive charge on the book debt and receivables of the Holding Company
"Term Loans from a Financial Institution - 13"	66.67	-	Repayable in 36 monthly installments from 5 October 2023.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
"Term Loans from a Financial Institution - 14"	175.00	-	Bullet Repayment on 11 December 2026.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
"Term Loans from a Financial Institution - 15"	72.72	-	Repayable in 11 quarterly installments from 01 April, 2024	First and exclusive charge by way of Hypothecation on standard book debts

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
"Term Loans from a Financial Institution - 16"	52.00	-	Repayable in 33 Monthly installments from 31 May 2024	First and exclusive charge by way of Hypothecation on standard book debts
"Term Loans from a Financial Institution - 17"	45.09	-	Repayable in 36 Monthly installments from 05 December 2023	First and exclusive charge by way of Hypothecation over the standard loan receivables
"Term Loans from a Financial Institution - 18"	79.51	-	Repayable in 33 monthly installments from 10 March 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
"Term Loans from a Financial Institution - 19"	100.00	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
"Term Loans from a Financial Institution - 20"	118.00	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
"Term Loans from a Financial Institution - 21"	-	2.50	Repayment in 36 Monthly Instalments starting from 31 January 2021	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
"Term Loans from a Financial Institution - 22"	11.00	15.00	Repayment in 60 Monthly Instalments starting from 15 January 2022	Exclusive charge on specific loan assets / book debts of the MRHMFL assigned to TCFSL. Personal Guarantee of Mr. Kamlesh Gandhi.
"Term Loans from a Financial Institution - 23"	11.95	14.42	Repayment in 60 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of ABFL loan.
"Term Loans from a Financial Institution - 24"	3.93	4.64	Repayment in 84 Monthly Instalments starting from 1 November 2022	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
"Term Loans from a Financial Institution - 25"	8.21	9.64	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
"Term Loans from a Financial Institution - 26"	8.21	9.64	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
"Term Loans from a Financial Institution - 27"	13.01	17.74	Repayment in 52 Monthly Instalments starting from 15 October 2022	Exclusive charge on specific loan assets / book debts of the MRHMFL assigned to TCFSL . Personal Guarantee of Mr. Kamlesh Gandhi.
"Term Loans from a Financial Institution - 28"	47.50	-	Repayment in 60 Monthly Instalments starting from 05 Janaury 2024	First and exclusive charge by way of hypothecation over the standard loan receivables
"Term Loans from a Financial Institution - 29"	8.93	-	Repayment in 84 Monthly Instalments starting from 31 July 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Total term loans from others	**1,254.76**	**751.98**		

Note (iii):

Interest rate ranges from 7.50% p.a to 11.90% p.a as at 31 March 2024.

Interest rate ranges from 7.50% p.a to 11.50% p.a as at 31 March 2023.

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Unsecured debentures (refer note no. 16.1)	310.00	260.00
Less: Unamortised borrowing costs	(7.89)	(7.30)
Total	**302.11**	**252.70**
Subordinated liabilities in India	302.11	252.70
Subordinated liabilities outside India	-	-
Total	**302.11**	**252.70**

16.1 Details of terms of redemption/repayment in respect of subordinated liabilities:

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Subordinated liabilities				
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	50.00	50.00	"Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months"	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	50.00	50.00	"Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years"	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	25.00	25.00	"Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months"	N.A.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	35.00	35.00	"Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years"	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	50.00	"Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months"	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	50.00	"Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months"	N.A.
5000, 10.75% rated, listed, subordinated, unsecured, redeemable, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	"Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months"	N.A.
Total subordinated liabilities	**310.00**	**260.00**		

17. OTHER FINANCIAL LIABILITIES

	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	32.07	70.55
Interest accrued but not due on others	0.07	0.08
Dues to the assignees towards collections from assigned receivables	181.66	213.21
Security deposits received from borrowers	1.33	1.92
Advances received against loan agreements	2.53	2.06
Unpaid dividend on equity shares	0.02	0.02
Dealer advances	7.12	5.13
Lease liability	3.38	1.28
Liabilities for expenses	8.13	-
Other payable	22.05	16.09
Total other financial liabilities	**258.36**	**310.34**

Note :

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

18. PROVISIONS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (Refer note 40)		
Compensated absences	0.29	0.17
Provision for unspent CSR liability	9.82	9.32
Total provisions	**10.11**	**9.49**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Statutory remittances	4.90	3.60
Income received in advance	1.81	1.01
Total other non-financial liabilities	**6.71**	**4.61**

20. EQUITY SHARE CAPITAL

	As at 31 March 2024	As at 31 March 2023
Authorized shares:		
200,000,000 Equity Shares of ₹ 10 each (As at 31 March 2023: 6,40,00,000 Equity Shares of ₹ 10 each)	200.00	64.00
- 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	22.00
- 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	22.00
- 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2023: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	-	4.00
	200.00	**112.00**
Issued, subscribed and fully paid-up shares:		
16,39,86,129 Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2023: 5,46,62,043 Equity Shares of ₹ 10 each)	163.99	54.66
	163.99	54.66

Note :

1. During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorized Share Capital of the Holding Company comprising of ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 6,40,00,000 (Six Crores and Forty Lakh) Equity Shares of ₹ 10 (Rupees Ten Only) each, 400 (Four Hundred) - 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 (Rupees One Lakh Only) each, 2,20,00,000 (Two Crore Twenty Lakh) 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 (Rupees Ten Only) each and 2,20,00,000 (Two Crore Twenty Lakh) - 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 (Rupees Ten Only) each was reclassified into ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of ₹ 10 (Rupees Ten Only) each.

2 .During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorised share capital of the Holding Company has been increased from ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of ₹ 10 (Rupees Ten Only) each to ₹ 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of ₹ 10 (Rupees Ten Only) each.

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

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
Equity Shares				
Outstanding at the beginning of the year	**5,46,62,043**	54.66	5,46,62,043	54.66
Add: Bonus shares issued during the year	**10,93,24,086**	109.32	-	-
Outstanding at the end of the year	**16,39,86,129**	**163.99**	**5,46,62,043**	**54.66**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

20.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	4,90,15,350	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	4,84,70,442	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	1,90,21,524	11.60%	63,40,508	11.60%
Vistra ITCL I Ltd Business Excellence Trust III India Business	1,21,33,737	7.40%	40,44,579	7.40%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 The Holding Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per 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 case of interim dividend. In the event of liquidation of the Holding Company, the equity shareholders of the Holding Company will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

20.5 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	As at 31 March 2024		As at 31 March 2023		
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	% Change during the current year (23-24) #
Equity shares					
Shweta Kamlesh Gandhi	4,90,15,350	29.89%	1,63,38,450	29.89%	200.00%
Mukesh C. Gandhi (Refer note below)	4,84,70,442	29.56%	1,61,56,814	29.56%	200.00%
Kamlesh C. Gandhi	1,90,21,524	11.60%	63,40,508	11.60%	200.00%
Prarthana Marketing Private Limited	39,52,671	2.41%	13,17,557	2.41%	200.00%
Anamaya Capital LLP	299,982	0.18%	99,994	0.18%	200.00%
Dhvanil K. Gandhi	105,831	0.06%	35,277	0.06%	200.00%
Dhriti K. Gandhi	36,162	0.02%	12,054	0.02%	200.00%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Holding Company has issued 10,93,24,086 (Ten Crore Ninety Three Lakh Twenty Four Thousand and Eighty Six) fully paid up Equity Shares of ₹ 10/- each as Bonus Shares in the ratio of 2:1 (2 Bonus shares for every 1 equity shares held on February 22, 2024) by utilizing Securities Premium Account. These Equity shares have been alloted on February 24, 2024.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Reserve under section 45-IC of Reserve Bank of India Act, 1934 (the "RBI Act, 1934")		
Outstanding at the beginning of the year	252.10	211.91
Additions during the year	49.55	40.19
Outstanding at the end of the year	301.65	252.10
Equity component of compound financial instruments- optionally convertible preference shares		
Outstanding at the beginning of the year	0.11	0.11
Add: Effect of changes in the Group's interest	0.01	-
Outstanding at the end of the year	0.12	0.11
Reserve fund under section 29C of The National Housing Bank Act, 1987 ("NHB Act")		
Opening balance		
a. Statutory reserve u/s 29C of NHB Act	0.60	0.27
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	5.27	4.43
c. Total	**5.87**	**4.70**
Addition / appropriation / withdrawal during the year		
Add:		
a. Amount transferred u/s 29C of the NHB Act	0.36	0.33
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	0.85	0.84
Less:		
a. Amount appropriated u/s 29C of NHB Act	-	-
b. Amount withdrawn from special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	-	-
Add: Effect of changes in the Group's interest		
a. Statutory reserve u/s 29C of NHB Act	0.01	-
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	0.10	-
Closing balance		
a. Statutory reserve u/s 29C of NHB Act	0.97	0.60
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	6.22	5.27
c. Total	**7.19**	**5.87**
Securities premium		
Outstanding at the beginning of the year	426.95	426.95
Deductions during the year (On issue of bonus shares)	(109.32)	-
Outstanding at the end of the year	**317.63**	**426.95**
Retained earnings		
Outstanding at the beginning of the year	679.63	537.08
Profit for the year	251.05	203.26
Effect of changes in the Group's interest	(2.28)	-
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	(0.38)	0.05
	928.02	**740.39**
Appropriations:		
Transfer to reserve under section 45-IC of the RBI Act,1934	(49.55)	(40.19)
Reserve u/s.29C of NHB Act and special reserve u/s 36(1)(viii) of Income-tax Act, 1961	(1.21)	(1.16)
Final dividend on equity shares	(10.11)	(9.57)
Interim dividend on equity shares	(16.40)	(9.84)
Total appropriations	**(77.27)**	**(60.76)**
Retained earnings	**850.75**	**679.63**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Other comprehensive income		
Outstanding at the beginning of the year	99.33	114.50
Loans and advances through other comprehensive Income	20.06	(25.24)
Impairment on loans and advances through OCI	27.01	3.72
Income tax relating to items that will be reclassified to profit or loss	**(5.05)**	**6.35**
Effect of changes in the Group's interest	0.03	-
Other comprehensive income for the year, net of tax	**141.38**	**99.33**
Total other equity	**1,618.72**	**1,463.99**

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the RBI Act, 1934

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Reserve fund u/s. 29C of NHB Act

Special reserve has been created in terms of section 36(1) (viii) of the Income-tax Act, 1961 out of the distributable profits of the subsidiary company. As per section 29C of NHB Act, the subsidiary company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any special reserve created by the subsidiary company in terms of section 36(1) (viii) of the Income-tax Act, 1961 is considered an eligible transfer.

3 Equity component of compound financial instruments - optionally convertible preference shares

Equity component of compound financial instruments represents equity component of OCPS of subsidiary company.

4 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 the Act.

5 Retained earnings

Retained earnings is the accumulated available profit of the Group carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required

The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;

ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

6 Other comprehensive income

On equity investments

The Holding Company has elected to recognise changes in the fair value of investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from these reserves to retained earnings when the relevant equity securities are derecognised.

On loans and advances

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

The Group recognises changes in the fair value of loans and advances in OCI. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Group transfers amounts from these reserves to retained earnings when the loans and advances are sold. Further, impairment loss allowances on the loans measured at FVOCI are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Declared and paid during the year (Pre-Bonus)		
Dividends on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	10.11	9.57
Interim dividend for 31 March 2024: ₹ 3.00 per share (31 March 2023 : ₹ 1.80 per share)	16.40	9.84
Total dividends paid	**26.51**	**19.41**

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2024: ₹ 0.51 per share (31 March 2023: ₹ 1.85 per share)	**8.36**	**10.11**

Note : During the F.Y 2023-24 Holding Company has paid the interim dividend of ₹ 3.00 per share - pre bonus - (₹ 1 ex-bonus). Additionally, the Board has proposed the final dividend @ 5.10% i.e. ₹ 0.51 per share subject to the approval of the Members in the ensuing Annual General Meeting.

22. INTEREST INCOME

(₹ In Crores)

	Year ended 31 March 2024			Year ended 31 March 2023		
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	Total
Interest on loans	891.30	45.84	937.14	700.96	22.92	723.88
Interest income from investments	-	76.80	76.80	-	50.37	50.37
Interest on deposits with banks	-	57.42	57.42	-	39.46	39.46
Other interest income	5.55	0.18	5.73	3.69	16.64	20.33
Total	**896.85**	**180.24**	**1,077.09**	**704.65**	**129.39**	**834.04**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on financial instruments at fair value through profit or loss - Investments	13.27	22.19
Fair value changes:		
- Realised	10.79	19.36
- Unrealised	2.48	2.83
Total	**13.27**	**22.19**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

24. OTHER INCOME

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Net gain/(loss) on derecognition of property, plant and equipment	0.04	0.10
Net gain on sale of investments measured at amortized cost	4.84	1.35
Gain on derecognition of leased asset	0.04	-
Gain on foreign currency transactions	0.06	-
Income from non-financing activity	1.54	0.98
Total	**6.52**	**2.43**

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on borrowings	533.60	368.19
Interest on debt securities	52.29	51.76
Interest on subordinated liabilities	29.55	14.70
Other interest expense	0.11	36.03
Other borrowing cost	30.94	25.23
Lease liability interest obligation	0.22	0.10
Total	**646.71**	**496.01**

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	27.52	4.17
- Expected credit loss (On financial instruments measured at amortised cost)	(0.51)	(0.83)
- Write off (net of recoveries)	48.16	42.93
- Loss on repossessed assets	15.50	7.40
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	(0.06)	(0.31)
Total	**90.61**	**53.36**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	94.41	65.36
Contribution to provident fund and other funds (Refer note 40 (a))	2.98	2.23
Gratuity expense (Refer note 40 (b))	0.75	0.73
Staff welfare expenses	2.31	2.38
Total	**100.45**	**70.70**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	3.10	2.17
Amortisation of intangible assets	0.52	0.23
Depreciation on Right-of-use asset	0.67	0.32
Total	**4.29**	**2.72**

29. OTHER EXPENSES

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Rent	4.70	3.85
Rates and taxes	0.26	0.22
Stationery and printing	1.39	0.99
Telephone	0.87	0.69
Electricity	1.46	1.05
Postage and courier	1.42	1.01
Insurance	1.18	0.92
Conveyance	2.12	1.43
Travelling	4.05	3.17
Repairs and maintenance:		
Building	0.31	0.58
Others	1.16	1.23
Professional fees	11.36	8.02
Payment to auditors (refer note below)	0.59	0.48
Director's sitting fees	0.45	0.14
Legal expenses	2.19	1.87
Bank charges	2.92	1.49
Advertisement expenses	1.84	1.22
Sales promotion expenses	0.49	0.61
Recovery contract charges	0.46	0.55
Corporate social responsibility expenditure (Refer note 34)	4.58	4.34
Credit guarantee fees	6.76	2.12
Miscellaneous expenses	4.59	2.60
Total	**55.15**	**38.58**
Note: Payment to auditors		
As auditor		
Statutory audit	0.25	0.21
Limited review of quarterly results	0.31	0.26
Other services	0.03	0.01
	0.59	**0.48**

30. TAX EXPENSES

The components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Current tax	83.06	67.23
Short / (Excess) provision for tax relating to prior years	(0.21)	(2.47)
Deferred tax	2.81	1.07
Total tax charge	**85.66**	**65.83**
Current tax	82.85	64.76
Deferred tax	**2.81**	**1.07**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 31 March 2023 is, as follows:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax	339.67	271.65
Applicable tax rate	25.168%	25.168%
Computed tax expense	85.49	68.37
Tax effect of :		
Exempted income	(0.32)	(0.30)
Additional deduction	(0.32)	(0.32)
Non deductible items	1.16	1.28
Short / (Excess) provision for tax relating to prior years	(0.21)	(2.47)
Others	(0.14)	(0.73)
Tax expenses recognised in the statement of profit and loss	**85.66**	**65.83**
Effective tax rate	25.22%	24.23%

30.2 Deferred tax

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	19.33	14.21
Credit / (charge) for loans and advances through OCI	(4.80)	6.21
Credit / (charge) for remeasurement of the defined benefit liabilities	0.13	(0.02)
Credit / (charge) to the statement of profit and loss	(2.81)	(1.07)
At the end of year DTA / (DTL)	**11.85**	**19.33**

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

(₹ In Crores)

	As at 31 March 2023	Statement of profit and loss	OCI	As at 31 March 2024
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.46)	(0.14)	-	(0.60)
Deferred tax on fair value of investments	(0.01)	(0.62)	-	(0.63)
Impact of fair value of assets	5.13	0.02	(4.80)	0.35
Income taxable on realised basis	(8.64)	(4.11)	-	(12.75)
Deferred tax on prepaid finance charges	(3.94)	(5.18)	-	(9.12)
Impairment on financial assets	27.32	6.78	-	34.10
Recognition of lease asset and right to use asset	0.03	0.02	-	0.05
Expenses allowable on payment basis	(0.10)	0.42	0.13	0.45
Total	**19.33**	**(2.81)**	**(4.67)**	**11.85**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	As at 31 March 2022	Statement of profit and loss	OCI	As at 31 March 2023
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.39)	(0.07)	-	(0.46)
Deferred tax on fair value of investments	(0.01)	-	-	(0.01)
Impact of fair value of assets	(1.06)	(0.02)	6.21	5.13
Income taxable on realised basis	(10.81)	2.17	-	(8.64)
Deferred tax on prepaid finance charges	(0.16)	(3.78)	-	(3.94)
Impairment on financial assets	26.56	0.76	-	27.32
Recognition of lease asset and right to use asset	0.02	0.01	-	0.03
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**14.21**	**(1.07)**	**6.19**	**19.33**

30.3 Current tax liabilities

	As at 31 March 2024	As at 31 March 2023
Provision for tax [net of advance tax of ₹ 78.51 crores (31 March 2023: ₹ 65.17 crores)]	4.70	2.06

30.4 Income tax assets

	As at 31 March 2024	As at 31 March 2023
Income tax assets [net of provision for tax of ₹ 2.52 crores (31 March 2023: ₹ 2.52 crores)]	2.52	2.52

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Computation of profit (numerator)		
Net profit for the year attributable to the owners of the Holding Company (basic)	251.05	203.26
Weighted average number of equity shares of ₹ 10 each	16,39,86,129	16,39,86,129
Basic earnings per share of face value of ₹ 10 each (in ₹)	15.31	12.39

(B) Diluted earnings per share

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Net profit for the year attributable to the owners of the Holding Company (diluted)	**251.05**	**203.26**
Weighted average number of equity shares of ₹ 10 each	16,39,86,129	16,39,86,129
Diluted earnings per share of face value of ₹ 10 each (in ₹)	15.31	12.39

Note : The basic and diluted earnings per share have been computed for previous year on the basis of the adjusted number of equity shares in accordance with bonus issue of shares.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

32 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Type of income		
Services charges	0.21	0.08
Others	66.68	51.47
Total revenue from contracts with customers	**66.89**	**51.55**
Geographical markets		
India	66.89	51.55
Outside India	-	-
Total revenue from contracts with customers	**66.89**	**51.55**
Timing of revenue recognition		
Services transferred at a point in time	66.89	51.55
Services transferred over time	-	-
Total revenue from contracts with customers	**66.89**	**51.55**

33 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
(A) Contingent liabilities	**0.12**	**0.12**
I) In respect of disputed income-tax matters :		
(B) Commitments		
I) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Property, plant & equipment and Capital work in progress	0.12	1.39
II) Loan commitments for sanctioned but not disbursed amount	**22.25**	**13.19**

i) After adjusting the amount of refund claimed by the group amounting ₹ 0.33 Crore.

ii) The Group's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Company for the last three financial years was ₹ 229.12 crores, basis which the Group was required to spend ₹ 4.58 crores towards CSR activities for the current financial year (31 March 2023: ₹ 4.34 crores).

a) **Amount spent during the year on:**

(₹ In Crores)

Particulars	31 March 2024			31 March 2023		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	0.49	4.09	4.58	0.36	3.98	4.34

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

c) **In case of Section 135(6): Details of on-going projects**

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
2023-24	-	9.32	4.58	0.49	3.60	4.09	5.72
2022-23	-	6.91	4.34	0.36	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2021-22	Nil	N.A.	4.18	0.34	-	3.84	-

Note: Unspent CSR amount of ₹ 3.98 crores for FY 2022-23 was deposited in unspent CSR bank account on 27 April 2023. Unspent amount of ₹ 4.09 crores available with the Group is transferred to an unspent CSR account on 29 April 2024.

d) **Reason for shortfall :** The Group has ongoing projects and it is spending the said amount as per pre-approved ongoing projects. For more details, refer annexure of Director's report on CSR.

e) **Nature of CSR activities:** Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35 SEGMENT REPORTING:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – 'Operating Segments'.

36 RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - 'Related Party Disclosures

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and managing director)
	(where there are transactions)	Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Balabhaskaran Nair (Independent director) (retired w.e.f 31 March 2024)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director) (retired w.e.f 31 March 2024)
		Mr. Narayanan Sadanandan (appointed w.e.f 21 June 2023)
		Mrs. Daksha Shah (Independent director)
2	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mr. Kamlesh C. Gandhi (As Executor of will of Late Mr. Mukesh C. Gandhi, relative of KMP)
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Umesh Rajanikant Shah HUF (relative of KMP)
		Pauravi Umesh Shah (relative of KMP)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Transactions with related parties are as follows:

(₹ In Crores

	Year ended 31 March 2024		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	7.32	1.22	8.54
Dividend paid	3.10	16.51	19.61
Interest on Loan Received	0.01	-	0.01
Sitting fees	0.41	-	0.41

(₹ In Crores)

	Year ended 31 March 2023		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	5.87	0.95	6.82
Dividend paid	2.27	12.09	14.36
Interest on Loan Received	0.02	-	0.02
Sitting fees	0.12	-	0.12

Balances outstanding from related parties are as follows:

(₹ In Crores)

	As at 31 March 2024		
	Key management personnel	Other related parties	Total
Bonus payable	0.39	0.03	0.42

(₹ In Crores)

	As at 31 March 2023		
	Key management personnel	Other related parties	Total
Loans and advances given	0.13	-	0.13
Bonus payable	0.31	0.03	0.34

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured

Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Compensation to key management personnel are as follows:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	7.19	5.74
Post-employment benefits	0.02	0.02
Other long term employment benefits	0.01	(0.01)
	7.22	5.75

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

37. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2024 & 31 March 2023. The column 'net amount' shows the impact of Group's balance sheet if all the set-off rights were exercised.

(₹ In Crores)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amounts	Gross amount offset in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2024					
Loans and advances	7,732.87	13.43	7,719.44	1.40	7,718.04
31 March 2023					
Loans and advances	6,256.20	9.96	6,246.24	2.00	6,244.24

Note:

1 ₹ 13.43 crores (31 March 2023: ₹ 9.96 crores) represents advances received against loan agreements.

2 ₹ 1.40 crores (31 March 2023: ₹ 2.00 crores) represents security deposits received from borrowers.

38 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE ACT.

AS AT 31 MARCH 2024

(₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	100.56%	1,828.51	96.94%	246.24	113.38%	15.76	97.80%	262.00
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	4.11%	74.81	1.91%	4.86	(8.13%)	(1.13)	1.39%	3.73
MASFIN Insurance Broking Private Limited	(6.63%)	(120.61)	(0.02%)	(0.05)	0.00%	-	(0.02%)	(0.05)
Non-controlling interest	1.97%	35.86	1.17%	2.96	(5.25%)	(0.73)	0.83%	2.23
Total	**100.01%**	**1,818.57**	**100.00%**	**254.01**	**100.00%**	**13.90**	**100.00%**	**267.91**

AS AT 31 MARCH 2023

(₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.47%	1,459.21	96.32%	198.22	105.59%	(19.45)	95.40%	178.77
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	3.82%	58.96	2.45%	5.05	(3.31%)	0.61	3.02%	5.66
MASFIN Insurance Broking Private Limited	0.03%	0.48	(0.01%)	(0.01)	0.00%	-	(0.01%)	(0.01)
Non-controlling interest	1.68%	26.02	1.24%	2.56	(2.28%)	0.42	1.59%	2.98
Total	**100.00%**	**1,544.67**	**100.00%**	**205.82**	**100.00%**	**(18.42)**	**100.00%**	**187.40**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Crores)

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	212.67	-	212.67	238.67	-	238.67
Bank balance other than above	641.75	24.08	665.83	88.80	476.49	565.29
Trade Receivables	6.54	-	6.54	4.30	-	4.30
Loans	4,470.10	3,249.34	7,719.44	3,666.30	2,579.94	6,246.24
Investments	509.21	216.95	726.16	489.88	301.16	791.04
Other financial assets	55.32	23.54	78.86	46.68	14.95	61.63
Non-financial assets						
Income tax assets (net)	-	2.52	2.52	-	2.52	2.52
Deferred tax Assets (net)	-	11.85	11.85	-	19.33	19.33
Property, plant and equipment	-	21.23	21.23	-	14.66	14.66
Capital work-in-progress	-	69.80	69.80	-	57.66	57.66
Right-of-use asset	0.86	2.33	3.19	0.43	0.75	1.18
Intangible assets under development	-	0.24	0.24	-	0.33	0.33
Other Intangible assets	-	1.01	1.01	-	1.03	1.03
Other non-financial assets	27.96	0.04	28.00	11.34	-	11.34
Total assets	**5,924.41**	**3,622.93**	**9,547.34**	**4,546.40**	**3,468.82**	**8,015.22**
LIABILITIES						
Financial liabilities						
Trade payables	21.15	-	21.15	14.68	-	14.68
Other payables	1.89	-	1.89	1.84	-	1.84
Debt securities	105.71	521.15	626.86	522.26	105.00	627.26
Borrowings (other than debt securities)	3,158.41	3,338.47	6,496.88	2,726.34	2,521.23	5,247.57
Subordinated liabilities	-	302.11	302.11	-	252.70	252.70
Other financial liabilities	253.26	5.10	258.36	306.02	4.32	310.34
Non-financial liabilities						
Current tax liabilities (net)	4.70	-	4.70	2.06	-	2.06
Provisions	9.90	0.21	10.11	9.37	0.12	9.49
Other non-financial liabilities	6.71	-	6.71	4.61	-	4.61
Total liability	**3,561.73**	**4,167.04**	**7,728.77**	**3,587.18**	**2,883.37**	**6,470.55**
Net	**2,362.68**	**(544.11)**	**1,818.57**	**959.22**	**585.45**	**1,544.67**

40 EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Group's contribution to provident fund aggregating ₹ 2.62 Crore (31 March 2023: ₹ 1.92 Crore) and employee state insurance scheme aggregating ₹ 0.13 Crore (31 March 2023: ₹ 0.13 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense.

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for the year ended 31 March 2024 (Contd.)

(b) Defined benefit plans:

Gratuity

The Group operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age / resignation date.

The defined benefit plans expose the Group to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Group, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	4.23	3.67
Current service cost	0.83	0.76
Interest cost	0.28	0.25
Benefit paid	(0.17)	(0.21)
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	(0.10)	(0.18)
Change in financial assumptions	0.01	(0.07)
Experience adjustments	0.68	0.01
Present value of defined benefit obligations at the end of the year	**5.76**	**4.23**
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	4.92	3.67
Interest income	0.36	0.28
Return on plan assets excluding amounts included in interest income	0.08	(0.16)
Contributions by employer	2.16	1.34
Benefits paid	(0.17)	(0.21)
Fair value of plan assets at the end of the year	**7.35**	**4.92**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	5.76	4.23
Fair value of plan assets at the end of the year	**7.35**	**4.92**
Net asset / (liability) recognized in balance sheet as at the end of the year	**1.59**	**0.69**

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
v. Expense recognised during the Year		
Current service cost	0.83	0.76
Interest cost	(0.08)	(0.03)
Expenses recognised in the statement of profit and loss	**0.75**	**0.73**
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	0.01	(0.07)
Due to change in demographic assumption	(0.10)	(0.18)
Due to experience adjustments	0.68	0.01
Return on plan assets excluding amounts included in interest income	(0.08)	0.16
Components of defined benefit costs recognised in other comprehensive income	**0.51**	**(0.08)**
vii. Principal actuarial assumptions	**As at 31 March 2024**	As at 31 March 2023
Discount rate (per annum)	7.15%	7.30%
Rate of return on plan assets (p.a.)	7.15%	7.30%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	35.00%	30.00%
26 to 35	30.00%	25.00%
36 to 45	25.00%	20.00%
46 to 55	20.00%	15.00%
56 and above	20.00%	15.00%

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

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viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
Defined benefit obligation (base)	5.76	4.23

(₹ In Crores)

	As at 31 March 2024		As at 31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	5.89	5.67	4.33	4.13
(% change compared to base due to sensitivity	2.26%	(1.56%)	2.36%	(2.36%)
Salary Growth Rate (- / + 0.5%)	5.68	5.87	4.14	4.31
(% change compared to base due to sensitivity)	(1.39%)	1.91%	(2.13%)	1.89%
Withdrawal Rate (W.R.) (W.R. x 90% / W.R. x 110%)	5.85	5.71	4.26	4.20
(% change compared to base due to sensitivity)	1.56%	(0.87%)	0.71%	(0.71%)

ix. Asset liability matching strategies

The Group contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on entity's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 3.95 to 4.10 years.

(₹ In Crores)

	Cash flows (₹)	
	As at 31 Mar 2024	As at 31 Mar 2023
Expected cash flows over the next (valued on undiscounted basis):		
1st following year	1.27	0.76
2nd following year	1.04	0.66
3rd following year	0.87	0.60
4th following year	0.76	0.53
5th following year	0.74	0.47
Sum of years 6 to 10	2.11	1.83

The future accrual is not considered in arriving at the above cash-flows.

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for the year ended 31 March 2024 (Contd.)

The expected contribution for the next year is ₹ 1.04 Crore.

(C) Other long term employee benefits

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
Discount Rate	7.15%	7.30%
Salary Growth Rate	8.00%	8.00%
Mortality Rates base	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2012-14)

The Group has not funded its compensated absences liability and the same continues to remain as unfunded as at 31 March 2023.

The liability for compensated absences is ₹ 0.29 Crore (31 March 2023 : ₹ 0.17 Crore).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

41 FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Group has computed fair value of the loans and advances through OCI considering its business model. These have

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for the year ended 31 March 2024 (Contd.)

been fair valued using the base of the interest rate of loan disbursed in the last month of the year which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Crores)

As at 31 March 2024	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	7,448.93	-	-	-	7,448.93	7,448.93
Derivative financial instruments	-	-	2.02	2.02	-	-	2.02
Investments measured at FVTPL	-	-	59.45	6.14	53.31	-	59.45
	-	7,448.93	61.47				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	212.67	-	-	212.67	-	-	212.67
Bank balance other than cash and cash equivalents	665.83	-	-	665.83	-	-	665.83
Trade receivables	6.54	-	-	-	-	6.54	6.54
Loans measured at amortised cost	270.51	-	-	-	-	273.57	273.57
Investment measured at amortised cost	666.71	-	-	-	-	667.04	667.04
Other financials asset	76.84	-	-	-	-	76.71	76.71
	1,899.10	-	-				
Financial liabilities not measured at fair value[1]							
Trade payables	21.15	-	-	-	-	21.15	21.15
Other payables	1.89	-	-	-	-	1.89	1.89
Debt securities	626.86	-	-	-	-	643.84	643.84
Borrowings (other than debt securities)	6,496.88	-	-	-	-	6,524.47	6,524.47
Subordinated liabilities	302.11	-	-	-	-	310.00	310.00
Other financial liabilities	258.36	-	-	-	-	258.36	258.36
	7,707.25	-	-				

(₹ In Crores)

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	6,038.39	-	-	-	6,038.39	6,038.39
Investments measured at FVTPL	-	-	231.90	181.45	50.45	-	231.90
	-	6,038.39	231.90				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	238.67	-	-	238.67	-	-	238.67
Bank balance other than cash and cash equivalents	565.29	-	-	565.29	-	-	565.29
Trade receivables	4.30	-	-	-	-	4.30	4.30
Loans measured at amortised cost	207.85	-	-	-	-	207.66	207.66
Investment measured at amortised cost	559.14	-	-	-	-	559.53	559.53
Other financials asset	61.63	-	-	-	-	61.56	61.56
	1,636.88	-	-				
Financial liabilities not measured at fair value[1]							
Trade payables	14.68	-	-	-	-	14.68	14.68
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	5,247.57	-	-	-	-	5,273.41	5,273.41
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00

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for the year ended 31 March 2024 (Contd.)

Other financial liabilities	310.34	-	-	-	-	310.34	310.34
	6,454.39	**-**	**-**				

[1] The Group has not disclosed the fair values for cash and cash equivalents, bank balances, investment in debt securities, interest accrued but not due on loans and advances, bank deposits and investment, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
i) Loans		
Balance at the beginning of the year	6,079.90	4,673.78
Addition during the year	5,895.32	4,782.49
Amount derecognised / repaid during the year	(4,430.86)	(3,309.03)
Amount written off	(48.13)	(42.65)
Gains/(losses) recognised in other comprehensive income	19.08	(24.69)
Balance at the end of the year	**7,515.31**	**6,079.90**

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Crores)

	Amount, net of tax	
	Increase	Decrease
31 March 2024		
Loans		
Interest rates (50 bps movement)	(22.97)	19.52
31 March 2023		
Loans		
Interest rates (50 bps movement)	(14.68)	16.97

42 CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

42.1 Capital management

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

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

43 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

The Group's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ In Crores)

	Carrying Amount	
	As at 31 March 2024	As at 31 March 2023
Retail assets	4,443.14	3,312.58
Two wheeler loans	348.02	317.60
Micro enterprise loans	1,396.38	1,210.59
Salaried personal loans	313.13	247.94
Small and medium enterprise loans	1,606.62	1,080.11
Commercial vehicle loans	375.78	170.04
Housing & non-housing loans	403.21	286.30
RAC loans	3,348.00	2,979.56
Total	**7,791.14**	**6,292.14**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) *Staging:*

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Group has staged the assets based on the days past due criteria and other market factors which significantly impacts the portfolio.

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

Days past due status	Stage	Internal grade	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime Provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime Provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime Provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime Provision

(ii) Grouping:

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans

b. Micro enterprise loans

c. Salaried personal loans

d. Small and medium enterprise loans

e. Commercial vehicle loans

f. Retail asset channel loans

g. Housing & non-housing loans

(iii) ECL

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

For RAC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Group is validated in accordance with its ECL policy.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy."

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Group has worked out on PD based on the last five years historical data.

The PDs derived from the vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Group has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of five components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments and assignments of loans.

The Group has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status

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for the year ended 31 March 2024 (Contd.)

after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. Further, the stage 3 EAD for the purpose of the ECL computation is considering when loan became Stage 3 for the first time (for retail loans).

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Group has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Group, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

	As at 31 March 2024	As at 31 March 2023
Stage 1	0.40%	0.53%
Stage 2	21.22%	17.38%
Stage 3	38.72%	40.02%
Amount of expected credit loss provided for	135.30	108.29

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

(iv) *Management overlay*

The Group holds a management and macro-economic overlay of ₹ 21.79 crore as at 31 March 2024 (31 March 2023: ₹ 23.03 crores).

(v) *Modification of financial assets*

The Group has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Group monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2024 is ₹ 1.41 crores (31 March 2023 ₹ 4.99 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 0.26 crores as at 31 March 2024 (31 March 2023 ₹ 1.41 crores). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Group generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

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for the year ended 31 March 2024 (Contd.)

43.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Group is ₹ 1703 Crore spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Over the years, the Holding Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Holding Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

(₹ In Crores)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2024									
Debt securities	2.47	2.40	11.16	34.63	173.58	470.96	53.75	-	748.95
Borrowings (Other than debt securities)	122.07	126.22	360.95	650.74	2,272.60	3,054.70	611.63	25.49	7,224.40
Subordinated liabilities	2.78	2.78	2.78	8.39	16.56	66.65	301.90	51.46	453.30
Payables	21.91	-	-	1.13	-	-	-	-	23.04
Lease Liability	0.08	0.08	0.08	0.24	0.49	1.83	1.10	0.08	**3.98**
Other financial liabilities	207.99	0.02	0.15	0.36	44.01	2.43	0.02	-	**254.98**
As at 31 March 2023									
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39	-	-	738.21
"Borrowings (Other than debt securities)"	91.30	97.58	249.70	438.24	2,152.57	2,285.55	517.88	18.09	5,850.91
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payables	5.89	2.86	6.53	0.63	0.61	-	-	-	16.52
Lease Liability	0.03	0.13	0.03	0.11	0.19	0.69	0.29	-	1.47
Other financial liabilities	238.85	6.20	5.71	0.90	53.95	3.45	-	-	309.06

43.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Group.

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for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

	Year ended 31 March 2024		Year ended 31 March 2023	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Change in interest rates				
Investments	50.95	50.95	176.78	176.78
Impact on profit before tax for the year	0.25	(0.25)	0.88	(0.88)
Variable rate lending	3,751.21	3,751.21	3,265.86	3,265.86
Impact on profit before tax for the year	18.11	(18.11)	15.84	(15.84)
Variable rate borrowings	6,013.08	6,013.08	5,737.31	5,737.31
Impact on profit before tax for the year	(29.72)	29.72	(28.40)	28.40

B. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Group has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2024 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Group's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

(₹ In Crores)

	Foreign currency	As at 31 March 2024	As at 31 March 2023
Term loan from Bank in Foreign Currency	USD	602.18	-

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

44 LEASE DISCLOSURE

Where the Group is the lessee

The Group has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 10 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2024	As at 31 March 2023
Not later than one year		
Later than one year and not later than five years	0.97	0.49
Later than five years	2.93	0.98
Total undiscounted lease liabilities	**0.08**	**-**
Lease liabilities included in the balance sheet	**3.98**	**1.47**
Total lease liabilities	**3.38**	**1.28**

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for the year ended 31 March 2024 (Contd.)

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2024	Year ended 31 March 2023
Interest on lease liabilities	0.22	0.10
Depreciation charge for the year	0.67	0.32
Expenses relating to short term leases	4.70	3.85

(₹ In Crores)

Amount recognised in statement of cashflow	Year ended 31 March 2024	Year ended 31 March 2023
Cash outflow towards lease liability	(0.54)	(0.28)

For addition and carrying amount of right to use asset for 31 March 2024 and 31 March 2023, refer note 11(c).

Title deeds of all immovable properties of the Holding Company are held in name of the Holding Company. Further all the lease agreements are duly executed in favour of the Group for properties where the Group is the lessee.

45 TRANSFER OF FINANCIAL ASSETS

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

	As at 31 March 2024	As at 31 March 2023
Securitisation	-	-
Carrying amount of transferred assets	-	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	-	-
Fair value of assets (A)		
Fair value of associated liabilities (B)	-	-
Net position at Fair Value (A-B)	-	-

45.2 Transferred financial assets that are derecognised in their entirety

The Group has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

Securitisation	As at 31 March 2024	As at 31 March 2023
Direct assignment	-	-
Carrying amount of de-recognised financial asset	2,063.89	1,259.86
Carrying amount of retained financial asset	224.17	167.26

45.3 Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

46 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2024 and 31 March 2023.

47 The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2024 and 31 March 2023.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

48 The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024 and 31 March 2023.

49 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

50 The Group has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2024 and 31 March 2023 are held by the Group in the form of deposits or in current accounts till the time the utilisation is made subsequently.

51 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2024 and 31 March 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2024 and 31 March 2023.

52 As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the group (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53 The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2024 and 31 March 2023.

54 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2024 and 31 March 2023.

55 The Holding Company and a Subsidiary have used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, there has been no instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.

56 The Group has not entered into any scheme of arrangement.

57 Events after the reporting period

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

58 Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Plan - Act - Achieve

EXCELLENCE THROUGH ENDEAVOURS

MAS FINANCIAL SERVICES LTD.

The Power of Distribution

MAS Financial Services Limited

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EXCELLENCE THROUGH ENDEAVOURS

MAS

FINANCIAL SERVICES LTD.

The Power of Distribution

28TH ANNUAL REPORT

2022-23

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Tribute to

Shri Mukesh Gandhi

Co-Founder

Shri Mukesh Gandhi (October 20, 1957 – January 19, 2021) was the Whole-time Director & CFO of the Company. He played a significant role in bringing the Company to its current level as a specialised retail financing organisation from a humble beginning in the year 1995, backed by robust fundamentals. He was a person of great compassion, positivity, enthusiasm and pragmatism. He set exemplary precedents during his entrepreneurial journey. He was a reputed industry expert who was also a popular Finance speaker. His vision, vigilance and zeal for excellence have and will always benefit the Company to reach new heights. In honour of his memory, Team MAS stands committed to "Excellence through Endeavours".

OUR STANDALONE KEY NUMBERS

Journey of 112 Quarters

36.12% CAGR
Assets Under Management

40.07% CAGR
Profit After Tax

FY 2022-23

₹ 8,000 Crore +
Assets Under Management

25% +
Capital Adequacy Ratio

₹ 200 Crore +
Profit After Tax

1.52%
Net Stage 3 Assets

15% +
Return on Networth

WE HAVE COME A LONG WAY SINCE WE BEGAN OUR JOURNEY IN 1995.

CONSISTENTLY AND STEADILY, WE HAVE MOVED FORWARD...

EXPANDING OUR BUSINESS FRONTIERS

STRENGTHENING OUR ASSET BASE

GAINING CUSTOMER TRUST

DELIVERING ON OUR PROMISE OF ADDING VALUE TO ALL OUR STAKEHOLDERS

THESE ENDEAVOURS HAVE ENABLED US TO...

ACHIEVE STRONG AND CONSISTENT GROWTH

MAINTAIN A HEALTHY RETURN ON ASSETS AND EQUITY

KEEP OUR PORTFOLIO STURDY

AND OUR CLIENTS HAPPY

In the face of macro-economic headwinds or tailwinds, we have stayed strategically agile, seeking out the most suitable solutions to stay on course and cruise ahead.

Our resilience comes from tapping into our inherent strengths, and fuelling our journey of growth predominantly from internal accruals. We have stayed highly capitalised, maintained robust liquidity and fiercely guarded our portfolio quality.

As we look to the future, we feel secure in the knowledge that we are headed in the right direction, at the correct pace. Our compounding growth is a reflection of consistent and steady momentum.

TODAY, OUR TRACK RECORD SPEAKS VOLUMES FOR US.

It is built on the strength of our

Past Learnings

It has been reinforced by our

Present Endeavours

It is a firm indication of our

Future Visibility

It is said that the future belongs
to those who learn from the past
and live brilliantly in the present moment.

Every time we reach a milestone, we believe we have just begun!

Message from the Chairman & MD

DEAR SHAREHOLDERS,

It is my pleasure to address you through this Annual Report for FY 2022-23.

Backed by our consistent and steady growth philosophy, our FY2023 consolidated assets under management (AUM) increased by 29.64% year-on-year and crossed ₹ 8,500 crore mark while our total income increased by 43.27% year-on-year to ₹ 990.26 crore and PAT grew by 27.68% year-on-year. I am happy to share that your Company has achieved an important milestone of crossing ₹ 200 crore profits after tax (PAT) in FY2023 by registering a consolidated PAT of ₹ 205.82 crore. I am happy to share that the next important milestone of crossing ₹10,000 crore AUM is within the striking distance, and we are confident that will be there by the end of the year 2023-24.

On standalone basis for FY2023, AUM increased by 29.55% to ₹ 8,092.56 crore while total income grew by 44.44% to ₹ 949.09 crore and PAT grew by 27.55% to ₹ 200.96 crore, on year-on-year basis. Our standalone gross stage 3 assets were stable at 2.15% and net stage 3 assets at 1.52% of AUM as on March 31, 2023 helping a sound return on assets and equity.

Our subsidiary, MAS Rural Housing & Mortgage Finance Ltd, reported robust performance for FY2023 with 31.57% growth in AUM to ₹ 413.34 crore and 29.66% growth in PAT to ₹ 6.34 crore, on year-on-year basis. The portfolio quality of subsidiary remained stable at 0.70% gross stage 3 assets and 0.52% net stage 3 assets of AUM as on March 31, 2023. The capital adequacy ratio (including Tier II capital) of subsidiary stood at 38.53% of which Tier-I capital was at 28.21% as on March 31, 2023.

The Housing finance company MAS Rural Housing & Mortgage Finance Ltd. with its very strong enablers of serving the huge affordable market, high level of capitalisation of the company accompanied by the increased focus on its processes, operations and distribution will be a strong value accretive preposition for the parent company in the years to come.

Our ongoing effort towards 'Learning and Unlearning' will continue to help us improve operational efficiency and achieve excellence across our overall operations.

Post COVID-19 pandemic, FY2023 was the first full year of operations without any interruptions in terms of lockdown and health challenges. However, the year witnessed major global headwinds, owing to several factors that included rising inflationary conditions among others. Amidst all these, our Company displayed resilience while maintaining our steadfast focus on delivering robust and sustainable growth and continued to support our diverse customers' evolving needs.

Going by our performance of the past 16 years when we first raised capital, our standalone AUM, PAT, and Net Worth have grown significantly between FY2007 and FY2023, showing an increase in CAGR of 24.88%, 23.46% and 30.53% respectively.

We are pleased to recommend a final dividend of ₹ 1.85 per equity share thus taking the tally to ₹ 3.65 per share for the whole year, in consonance to our policy of rewarding and commitment to shareholders who continue to trust our capabilities as we move forward on our journey together.

As on March 31, 2023, our capital adequacy ratio on standalone basis stood at 25.25% against the regulatory requirement of 15%. Tier I capital stands at 20.79% in comparison with the standard norm of 10%. Tier II capital is at 4.46%. This, as maintained over the decades; accords a robust enabler to the future growth of the company.

Our liability composition demonstrates diversified resource mix, helping us to address the business challenges successfully. The diverse resources of liability ranging from availing term credit, direct assignment, placing listed NCD attracting wide range of investors and co-lending, ensures sufficient liquidity , ALM, de-risking and optimum cost of funds which is very vital to the robust and profitable growth of the company. Our 85% of the assets being from the MSME sector which is the key area of focus of the economy and hence the banks and the financial institutions also, creates strong enablers for raising our liability very efficiently.

Concerning our liability management goals, we aim to maintain an ideal debt resource mix, which can drive a continuous flow of funds and optimum capital utilisation. Our assets are expected to cater to securitisation/assignment/co-Lending demand and aid de-risking while we manage our off-book portfolio.

On the distribution front, the contribution through our own centres remained robust during FY2023. We have expanded our reach to potentially more than 9,000 centres through the network of 149 branches in the country. The same is further enhanced via strong co-lending partnerships and Fintech collaborations. We will continue our endeavour to strengthen and enhance our current distribution network while exploring new geographies. We will also progressively move towards having a larger chunk of business sourced and serviced via our own network. We will continue to serve LIG and MIG customers across the nook and corner of India to enhance our customer value. Our continued focus on the high opportunity SME and Housing Finance sectors are expected to be key growth drivers.

Our technology-oriented goals are also right on track. We are happy to share that we will be completing the first phase of our digitisation by the end of June 2023. Under this initiative, all processes will be digitised end-to-end, reducing turnaround time.

With technology at the forefront, we will focus on our second phase of digitisation, with AI to complement our credit decisioning, based on our product mix and data analysis available. Technology will also help in increasing outreach, reducing operational costs, improving efficiency, enabling seamless processes.

Our ongoing effort towards 'Learning and Unlearning' will continue to help us improve operational efficiency and achieve excellence across our overall operations.

Over the next five years, we anticipate a growth ranging between 20% - 25% on the backing of maintaining high asset quality and healthy ROA and ROCE to enhance our stakeholders' value.

I would like to thank all our stakeholders for their continued faith in our capabilities. We strive to reward our stakeholders with robust and sustainable performance year after year. The core leadership team at MAS deserves my heartiest compliments for their unwavering commitment to excel and dedication demonstrated for over two decades now. I would also like to thank all our employees and for their endearing support and engagement towards achieving our broader goals, even during challenging times.

Our Company has exhibited a very robust and consistent growth over a long period of more than 25 years. As we move ahead, team remains dedicated to its mission of "Excellence through Endeavours" and I trust Together We Can and We Will.

Kamlesh C. Gandhi

Chairman & Managing Director

Company Overview

About MAS

MAS Financial Services (MAS) has been registered as an NBFC with the Reserve Bank of India (RBI) since 1995. In our endeavour of over 25 years, we have built a strong ethos of excellence to financially empower individuals and enterprises with access to suitable credit. Our quality offerings focus on fulfilling the credit needs of lower income/middle income segments and MSMEs who require readily available loans to supplement their personal and business incomes, respectively. Working in tandem with India's nationwide financial inclusion drive, we offer diverse loan products that include enterprise loans for MSMEs, Commercial Vehicle Loans, Two-Wheeler Loan, Used Car Loans, Salaried Personal Loan and Housing Loans among others.

We maintain our steadfast focus on providing credit to India's vast lower income and middle income groups, spread across urban, semi urban and rural areas, in both the formal and informal sector. With this focus, we strive to strengthen our financial services distribution market share by finding ways to evaluate the credit ability of our customers who lack proper and systematic credit documents and credit history via other channels.

We leverage technology across the spectrum for quick assessment of the repayment capability of our potential customers, thus allowing us to serve to a broader category of customers across India.

Our increasing geographical footprint now expands to 149 branches spread across major cities of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, Chhattisgarh & New Delhi. Our 9,250+ centres further help in our quest to offer first class services via doorstep delivery to our diverse client base.

Our distribution network of partner micro-finance institutions (MFI), non-banking finance companies (NBFCs), housing finance companies (HFCs) and franchisees further help us to extend our financial services across the underpenetrated states and the bottom of the pyramid (BOP) segments, helping serve our valued customers efficiently.

Vision

"To be one of the most efficient distributors of financial services and create value on a very large scale"

Vision of MAS puts emphasis on two things:

- To be one of the most efficient distributors of financial services
- To create value on a very large scale

MAS aims to be one of the most efficient distributors of financial services

Efficiency in general describes the extent to which time, effort (labour) or cost (money) is well used for the intended task or purpose. It means optimum use of available resources and to generate the best possible productivity by them. MAS strives for optimum efficiency continuously in all its activities.

In times to come, in the financial services industry, we visualise MAS and the process of "financial services distribution at MAS" to be not only a benchmark for every other company but also to set higher standards periodically, thus competing with ourselves too.

MAS aims to create value on a very large scale

Any business unit should primarily focus on increasing the value of all its stakeholders. The Company should, from time to time, adopt and adapt to such business models where it can accomplish this very important and essential goal of creating value on a very large scale.

At present, focus of MAS is on the vast lower income and middle-income groups of the society, spread across urban, semi-urban and rural areas, and including formal and informal sector. Our business model, vast experience, and distribution network place us uniquely in the industry.

Mission

"To constantly endeavour to attain excellence, and create a very wide financial distribution network and be a catalyst in providing the most efficient financial services which we term as financial inclusion"

Mission of MAS puts emphasis on three things:

- **To constantly endeavour to attain excellence**

  MAS continuously takes effort towards its goal of achieving excellence. Excellence is a never-ending process.

- **To create a very wide distribution network**

  MAS has always believed in the 'Power of Distribution'. Company has applied 'Excellence through Endeavour' & 'Power of Distribution' in its process to achieve its vision to be the most efficient distributor of financial services.

- **To be a catalyst in providing the most efficient financial services, which we term as financial inclusion**

  In the "Financial Services Ecosystem", intermediaries like banks, NBFCs, HFCs play a pivotal role in efficient use of the available resources. MAS always strive to be a responsible and an efficient intermediary in our quest to accomplish vision.

Beliefs

"We have miles to go & promises to keep"

"Together we can and we will"

Our Value Proposition

Strategic Growth Enablers

SUCCESSFUL AND CONSISTENT TRACK RECORD

Proven track record of over 25 years that has withstood multiple headwinds successfully with AUM CAGR of 36.12% and PAT CAGR 40.07% respectively.

ROBUST PORTFOLIO QUALITY

Consistent maintenance of robust portfolio quality with Net Stage 3 Assets of 1.52% as on March 31, 2023.

INCREASED MARKET SIZE

We offer loans to the expanding retail borrower section, mostly from the middle- and lower-income group, who otherwise have little access to formal means of credit. With their incomes and aspirations on the rise, they have increased need for funds creating a huge market opportunity for us.

DIVERSE PRODUCT SUITE

To cater to the evolving needs of our diverse customer base, we continue to offer a wide range of loan products including new and customised offerings. Our innovative range of loan offerings help increase social mobility and encourage growth and employment for our target customer segment.

LEVERAGING TECHNOLOGY FOR A WIDER OUTREACH

Our ability to adopt technology across streams has enabled faster processes and delivers leading to more satisfied and growing customer base. With customised and innovative solutions like doorstep delivery services, our pan-India presence now spans 08 territories across India, with 149 branches.

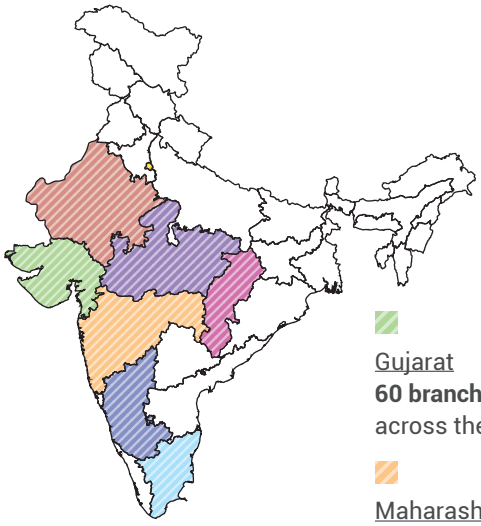
ROBUST LIABILITY MANAGEMENT AND ASSET CREATION

We strive to maintain a strong ALM by ensuring that we meet our capital requirements primarily via internal accruals. By enabling the right product mix through our unique distribution model, we have been able to create quality assets for efficient allocation credit where due.

STRATEGIC PEOPLE-ORIENTED FOCUS

Our people-centric approach has helped engage our employees to deliver the best solutions to our customers and build long-term loyal relationships with them. It has also helped us form a deeper connect with our key partners adding better value and improved trust of our stakeholders.

OUR GROWING PRESENCE



Map not to scale.
For Illustrative purposes only.

Gujarat
60 branches across the state

Maharashtra
28 branches covering major towns

Madhya Pradesh
31 branches covering major towns

Rajasthan
22 branches covering major towns

Tamil Nadu
2 branches

Karnataka
4 branches

Delhi NCR
1 branch

Chhattisgarh
1 branch

Our Assorted Products

MICRO ENTERPRISE LOAN

Micro Enterprises primarily include retailers, traders, small manufacturers, and service providers. Tenure up to 36 months. The ticket size of these loans ranges from ₹ 0.5 lakh to ₹ 10 lakhs.

SMALL AND MEDIUM ENTERPRISES LOAN (SME)

SMEs primarily include manufacturers, distributors, dealers, and service providers engaged in various industries and loans include working capital loans, loans for machinery and loans to purchase industrial sheds etc. Tenure up to 60 months. The ticket size of these loans ranges from ₹ 10 lakhs to ₹ 3 crore.

COMMERCIAL VEHICLES LOAN

CV loans primarily include loans to small road transporters, traders etc. Tenure up to 60 months. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 1 lakh to ₹ 10 lakhs.

USED CAR LOAN

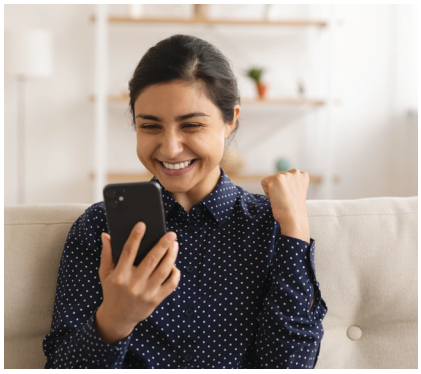
Used car primarily include loans to small traders, manufacturers, self-employed etc. Tenure up to 60 months. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 1 lakh to ₹ 10 lakhs.

TWO-WHEELER LOAN

Two-wheeler loan primarily include loans to farmers, self-employed, salaried individuals, and professionals etc. Tenure up to 36 months. The ticket size of these loans ranges from ₹ 25,000 to ₹ 1.50 lakhs.

SALARIED PERSONAL LOAN

Salaried personal loans to salaried individuals of the approved companies to satisfy their personal need. Tenure up to 60 months. It provides loans of up to ₹ 5 lakhs.



HOUSING LOAN

MAS through its subsidiary, provide loans for purchase of new and old houses, construction of houses on owned plots, home improvement loans and loans for purchase and construction of commercial property. Tenure up to 30 years. It provides loans of up to ₹ 50 lakhs for residential and ₹ 1 crore for commercial.

Our Journey Highlights

As we look back at our important milestones, we take pride in what we have been able to achieve since inception.

As per calendar year

1995

On incorporation, commenced retail finance operations with Two-wheeler and Micro-Enterprise loans

2006

Received first round of capital infusion of ₹ 65 Mn. from Bellwether Micro Fund

2008

Acquired 2nd & 3rd round of capital infusion worth ₹ 435 Mn. and ₹ 400 Mn. from FMO and ICICI Venture, respectively

Floated the housing finance subsidiary

2011

Listing of NCDs on Bombay Stock Exchange

2012

Received the fourth round of capital infusion of ₹ 650 Mn. from DEG

2013

Disbursement and AUM crossed ₹ 10 Bn.

2014

Sarva Capital purchased 50% CCPS held by FMO in secondary deal

2015

Raised Subordinate Debentures of ₹ 200 Mn.

AUM crossed ₹ 20 Bn.

2016

Bank loan rating was upgraded to 'IND A' with 'Stable outlook'

Raised subordinate debentures of ₹ 400 Mn.

2017

Motilal Oswal infused capital of ₹ 1,350 Mn.

Raised fresh capital of ₹ 2,330 Mn. via IPO

Listing of Equity Shares on BSE & NSE

2019

AUM crossed ₹ 50 Bn.

Bank loan rating upgraded to "Acuité AA-" with Stable outlook and Short-term rating assigned as Acuité A1+

2020

Completed 25th Year of Endeavours

2021

Inclusive Finance India Award 2020 – NBFC lending to Micro and Small Enterprises

Raised ₹ 650 Mn. via market-linked NCDs (MLD)

2022

ASSOCHAM 8th MSMEs Excellence Awards March 2022 – Best MSME Lending of the Year

New subsidiary: MASFIN Insurance Broking Private Limited

2023

Great Place To Work Certified (Jan 2023 - Jan 2024)

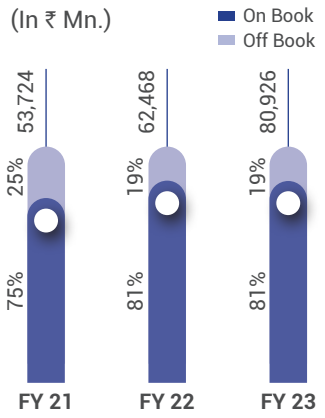
Net Profit for the Year crossed ₹ 2 Bn.

Financial Performance in Numbers

Key Performance Indicators

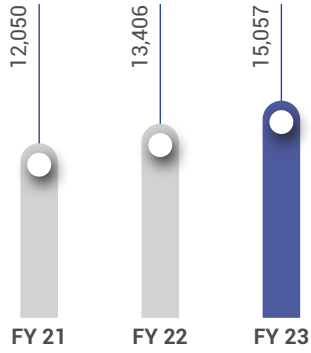
AUM

(In ₹ Mn.)



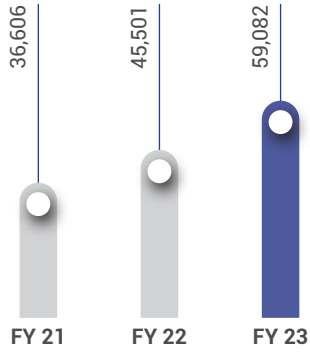
Net Worth

(In ₹ Mn.)



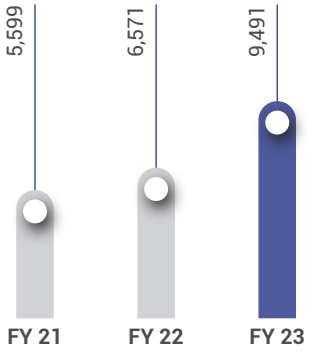
Borrowings

(In ₹ Mn.)



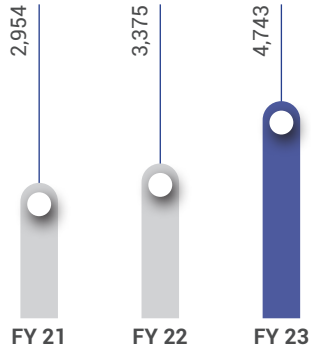
Revenue

(In ₹ Mn.)



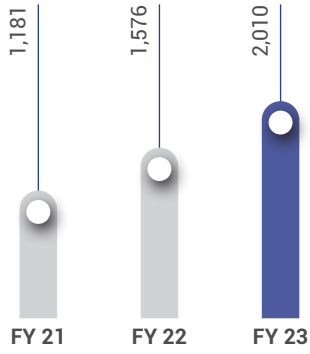
Net Interest Income

(In ₹ Mn.)

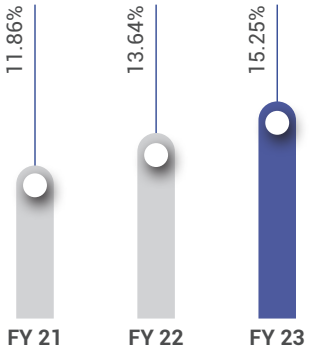


Profit After Tax

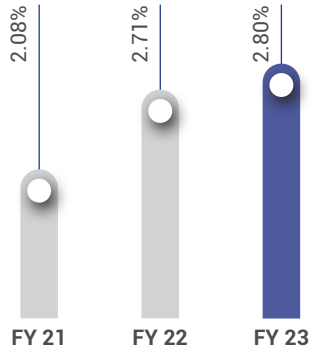
(In ₹ Mn.)



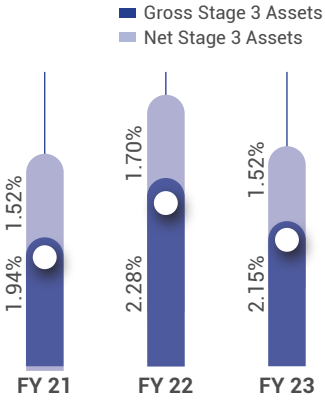
Return on Net Worth



Return on Average AUM



Gross & Net Stage 3 Assets



Leveraging Growth

Adopting Technology Across Spectrum

ORIGINATION

- Digitally Centralised Onboarding System to capture new leads data
- Authenticate captured leads via mobile OTP
- Seamless Application Management (Applicant, Co-Applicant & Guarantor)
- Customised upload of documents having pre-defined checklist & input validation
- Initial eligibility check (positive/negative) before grant to credit underwriting

OPERATIONS

- Digital Signatures permitting paperless documentation sharing of loan agreements with customer for review and e-signing (eSign / eStamp APIs)
- C-KYC management system ensuring quick and accurate compliance
- Customer Engagement via regular and timely WhatsApp, SMS & Email Services APIs updates

DECISIONING

- Pre-defined Business Rules Engine (BRE) & 25+ APIs plugins to evaluate creditworthiness
- eKYC for seamless e-verification of Customer's Identity, Address, DOB, etc. (PAN/Aadhaar/ DL / EC)
- Credit Bureau Check and GSTR analysis via integrated API services to evaluate customer past behaviour, fraud detection/prevention, & bureau score
- Seamless Corpository Platform to retrieve corporate data (financials/charges/shareholding/associates/ litigation/defaults/etc.)
- Income Analyzer Tool and Account Aggregator to automatically assess customer bank statement for accuracy in current income and obligations

DISBURSEMENT & COLLECTION

- 100% Cashless / E-disbursement of loan amount
- eNACH permitting paperless repayment
- Easy e-repayment facility via Paytm, BillDesk, and BharatPe for easy and timely EMI payment

ENHANCING DISTRIBUTION CAPABILITIES

Fintech Collaboration

Co-Lending Partnership

The Way Ahead

Powering Quality Growth To Enhance Value And Sustainability

At MAS, we have built our ethos of excellence from the various endeavours undertaken since inception to constantly improve ourselves over our past performances to ensure that the future will promise better returns than the present.

As we move ahead in our glorious journey of over 25 years, we will continue to drive growth with our key focus on quality and profitability.

Our priority focus areas will relate to –

ASSET CREATION

- To anchor to our belief that, growth along with quality is the key to enhance the shareholders' value.
- Continue to serve the informal LIG and MIG class of customers spread over rural , semi urban and urban areas leveraging on our more than two decades of experience.
- Adequate focus on SME and Housing Finance which offers huge potential – Expected to be key growth drivers.
- Strengthening and enhancement of current distribution network and also explore the potentiality of entering new geographies.
- Anticipated growth for the next five years to be in the range of 20% - 25% with prioritising asset quality and maintaining healthy ROA and ROCE.

LIABILITY MANAGEMENT

- Ideal debt resource mix, ensuring continuous flow of funds while maintaining optimum utilisation of capital.
- The assets created by the company is expected to generate good securitisation/assignment/Co-Lending demand thereby enabling the company to de-risk and maintain the off book portfolio.

OPERATIONAL EXCELLENCE

- Learning and Unlearning is a constant endeavour at MAS.
- Strive to improve the efficiency in all the areas of operation.
- Technology adoption to minimise operational costs.

Corporate Social Responsibility

Caring for Our Communities

As a responsible organisation, community care is vital to our operations. We regularly undertake various CSR initiatives to support and contribute to causes that aid underprivileged and other communities where we operate.

FEW CSR INITIATIVES FY 2022-23

Shiksha Protsahan

Arogya Abhiyan

MAS Menstrual Hygiene Programme

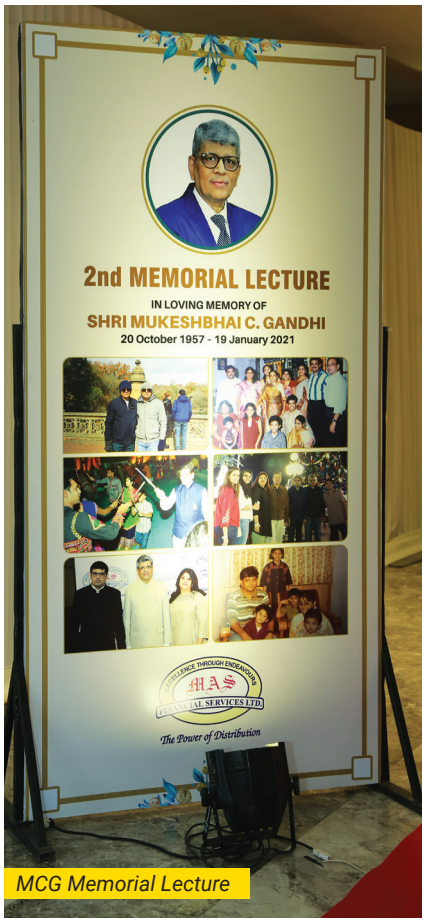
Food Kit Distribution

Employee Initiatives

Empowering our Workforce

At MAS, employees are integral to our success. We initiate various employee-oriented programmes to maintain a motivated, engaged and committed workforce.

FY 2022-23 EMPLOYEE INITIATIVES



MCG Memorial Lecture

75th Independence Day Celebration

Blood Donation Camp

Ganpati Celebration

Garba Celebration

Happy Hours 2023

RECOGNITION

Great Place To Work. Certified JAN 2023-JAN 2024 INDIA

This is to certify that MAS Group has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

The Great Place to Work certificate is a prestigious recognition awarded to organisations that demonstrate an exceptional workplace culture and employee experience.

MAS believes the advantages of the Great Place to Work certificate go beyond just the recognition itself. The true value lies in the ongoing commitment to creating a positive work environment and leveraging the certificate as a catalyst for continuous improvement and growth.

Board of Directors

Mr. Kamlesh C. Gandhi
Founder, Chairman & Managing Director

Mr. Kamlesh C. Gandhi is a proficient and experienced industry practitioner with a brilliant track record, which includes over two decades of managing and propelling the Company's growth. He manages the Company with the guidance and support of the Board and his own understanding and vision are among the key enablers for the consistent performance of the Company. He is the member of Banking and Finance taskforce of Gujarat Chambers of Commerce and Industry, Vice Chairman of Gujarat Finance Company Association, Co-Chairman of FIDC, an industry body of NBFCs, Co-Chairman of ASSOCHAM MSME Development Council and a member of SME Chamber of India. He is also the Managing Trustee of Smt. Urmilaben Chimanlal Gandhi Foundation. The Foundation currently contributes towards the financial needs in health care and education.

Mrs. Darshana Pandya
Director & CEO

Mrs. Darshana S. Pandya is responsible for leading the operations at MAS. She is also the driving force behind forging relationships between the Company and its partners which amount to over 100 NBFC-MFIs and NBFCs. After completing her graduation in Commerce, she joined the Company in 1996 as a junior executive. Through her hard work and determination to excel and with support from the management, she has risen to the level of Director & CEO.

Mr. Balabhaskaran N. Nair
Independent Director

Mr. Balabhaskaran N. Nair is a management graduate with two decades of experience in the consultancy and financial sector. Over the years, with his rich work experience, he has gathered a number of management consultancy inputs. He has done his engineering from IIT-Madras, MBA from IIM-Bangalore and CFA from ICFAI.

Mr. Chetan R. Shah
Independent Director

Mr. Chetan R. Shah holds a bachelor's degree in commerce and a degree in law (general) from Gujarat University. He is also a qualified Chartered Accountant registered with the Institute of Chartered Accountants of India. He has over three decades of experience in the financial services sector and has worked with the Natpur Cooperative Bank in the capacity of Manager – Finance.

Mr. Umesh R. Shah
Independent Director

Mr. Umesh R. Shah is a qualified Chartered Accountant. He has over three decades of experience in diverse fields connected with Finance, Accounting, Auditing and Taxation. He also has 5 years of hands-on experience of working in an NBFC.

Mrs. Daksha Niranjan Shah
Independent Director

Mrs. Daksha Niranjan Shah is a business graduate from Indian Institute of Management (IIM), Ahmedabad, where she specialised in Finance and Marketing; she is also a student of Economics and Statistics. She has rich experience of more than three decades in diversified fields of Textiles, Chemicals and Financial services. She has undergone various courses such as the course in Microfinance at the Economic Institute, Boulder, Colorado, USA.

Mr. Narayanan Sadanandan
Additional Independent Director

He has vast experience of more than 3 decades in all facets of banking, expertise in Fund Management, Investment Banking, Correspondence & International Banking, Corporate, Commercial and Retail (including MSME) banking. He is also an Advisor - Equity Capital Market, SBI Capital Markets Ltd and Ex MD & CEO - SBI Pension Funds Private Ltd.

Corporate Advisory Committee

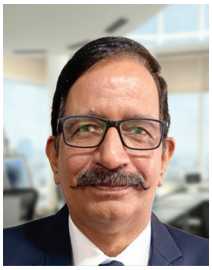
MAS Financial Services Limited has formed Corporate Advisory Committee for the year 2023 – 2024. The committee consist of experienced and eminent persons in their respective fields and will provide strategic inputs and counsel to the company's board of directors and to the executive leadership team on key business initiatives and growth opportunities.

Dr. Rajiv Kumar

Dr. Rajiv Kumar - Former Vice Chairman of NITI Aayog – Government of India's apex think tank, with the rank of a cabinet minister. He is the Founding Director & current Chairman of Pahle India Foundation – a public policy think tank. He also served as an independent director on the Central Boards of the Reserve Bank of India and the State Bank of India.

Mr. TT Srinivasaraghavan

Mr. TT Srinivasaraghavan - Chairman Emeritus of FIDC & Retired MD of Sundaram Finance Ltd. He has over 40 years of experience in the banking and financial services sector and has been associated with leading trade related organisations. He has been involved with various Committees constituted by the RBI on NBFC related matters, including the recently constituted Group of Advisors to Regulations Review Authority.



Mr. U.S. Paliwal

Mr. U.S. Paliwal – Secretary General, CCA and CEO of the Association of Small Finance Banks of India. He is Former Executive Director of Reserve Bank of India and Former Director of Bank of Mauritius. He was Nominee Director on the Boards of three PSU banks in India.

Corporate Information

CORPORATE IDENTIFICATION NO.:

L65910GJ1995PLC026064

REGISTERED OFFICE ADDRESS:

6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009.

LISTED ON STOCK EXCHANGE:

National Stock Exchange of India Limited (NSE) & BSE Limited (Bombay Stock Exchange)

BOARD OF DIRECTORS:

Mr. Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN: 00044852)

Mrs. Darshana Pandya
(Director & Chief Executive Officer)
(DIN: 07610402)

Mr. Balabhaskaran Narayanan Nair
(Non-Executive Independent Director)
(DIN: 00393346)

Mr. Chetan Ramniklal Shah
(Non-Executive Independent Director)
(DIN: 02213542)

Mr. Umesh Rajanikant Shah
(Non-Executive Independent Director)
(DIN: 07685672)

Mrs. Daksha Niranjan Shah
(Non-Executive Independent Director)
(DIN: 00376899)

Mr. Narayanan Sadanandan
(Additional Non-Executive Independent Director)
(DIN: 07263104)

CHIEF FINANCIAL OFFICER:

Mr. Ankit Jain

COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. Riddhi Bhaveshbhai Bhayani
(Mem. No. A41206)

STATUTORY AUDITORS:

M/s. Mukesh M. Shah & Co.
Chartered Accountants
Firm's Registration No. 106625W

REGISTRAR & SHARE TRANSFER AGENT:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai - 400 083,
Maharashtra, India

DEBENTURE TRUSTEE:

CATALYST TRUSTEESHIP LTD.

GDA House, Plot No. 85,
Bhusari Colony, Paud Road,
Pune - 411 038
Contact No.: 022-49220555
Email ID: ComplianceCTL-Mumbai@ctltrustee.com

AUDIT COMMITTEE MEMBERS:

Mr. Chetan Ramniklal Shah *(Chairman)*

Mrs. Darshana Pandya *(Member)*

Mr. Balabhaskaran Narayanan Nair *(Member)*

Mr. Umesh Rajanikant Shah *(Member)*

STAKEHOLDERS RELATIONSHIP COMMITTEE MEMBERS:

Mr. Chetan Ramniklal Shah *(Chairman)*

Mrs. Darshana Pandya *(Member)*

Mr. Balabhaskaran Narayanan Nair *(Member)*

NOMINATION & REMUNERATION COMMITTEE MEMBERS:

Mr. Umesh Rajanikant Shah *(Chairman)*

Mr. Chetan Ramniklal Shah *(Member)*

Mr. Balabhaskaran Narayanan Nair *(Member)*

CSR COMMITTEE MEMBERS:

Mr. Umesh Rajanikant Shah *(Chairman)*

Mrs. Darshana S. Pandya *(Member)*

Mr. Balabhaskaran Narayanan Nair *(Member)*

RISK MANAGEMENT COMMITTEE MEMBERS:

Mr. Chetan Ramniklal Shah *(Chairman)*

Mrs. Darshana Pandya *(Member)*

Mr. Umesh Rajanikant Shah *(Member)*

LIST OF BANKING RELATIONSHIPS & SUBSCRIBERS TO DEBT ISSUES:

Aditya Birla Finance Ltd
Axis Bank Ltd
Bajaj Finance Ltd
Bandhan Bank Ltd
Bank of Baroda
Bank of India
Bank of Maharashtra
Baroda Gujarat Gramin Bank
Canara Bank
CSB Bank
DBS Bank
Dhanlaxmi Bank
HDFC Bank Ltd
ICICI Bank
IDBI Bank Ltd.
IDFC First Bank Ltd
Indian Bank
Indian Overseas Bank
Indusind Bank Ltd
Karnataka Bank Ltd
Kotak Mahindra Bank Ltd
MUDRA Ltd
National Bank for Agriculture and Rural Development
Poonawala Fincorp Ltd
Punjab National Bank
SBM Bank (India) Ltd
Shinhan Bank
Small Industries Development Bank of India
South Indian Bank
State Bank of India
Sundaram Finance Limited
Tamilnad Mercantile Bank
The Federal Bank Ltd
Union Bank of India
Utkarsh Small Finance Bank

Notice

NOTICE is hereby given that the Twenty Eighth (28th) Annual General Meeting (AGM) of the members of MAS Financial Services Limited will be held at 11.30 A.M. on Wednesday, July 26, 2023 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare Final Dividend of ₹ 1.85/- per Equity Share of ₹ 10/- each for the financial year ended on March 31, 2023.

3. To appoint a Director in place of Mr. Kamlesh C. Gandhi (DIN: 00044852), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Alteration of Articles of Association of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (including any statutory modification or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for alteration of Clause 45 of the Articles of Association of the Company by substituting in its place, the following:

   The number of Directors shall not be less than three and shall not be more than fifteen, excluding nominee Directors appointed by any Financial Institutions or any other Institutions or Banks or Debenture Trustee. Provided, that the Company may appoint a director in excess of the limit provided above by passing a special resolution.

   RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

5. Appointment of Mr. Narayanan Sadanandan (DIN: 07263104) as an Independent Director of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act'), including the Rules made thereunder read with Schedule IV to the Act and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and other applicable provisions of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Narayanan Sadanandan (DIN: 07263104) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an Additional Director under section 161(1) of the Act and Articles of Association of the Company, and in respect of whom a notice in writing by the member of the Company pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years, effective from June 21, 2023 up to June 20, 2028.

   RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the

   Company be and are hereby individually authorized to file necessary forms with the office of Registrar of Companies and to do all such acts, deeds and things as may be required in order to give effect to the above resolution. "

6. Re-appointment of Mr. Kamlesh C. Gandhi (DIN: 00044852) as the Managing Director of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of the Sections 196, 197, 198, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) in context

of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and pursuant to the relevant provisions of the Articles of Association of the Company, and in pursuance to receipt of recommendation of Nomination and Remuneration Committee of the Company and as approved by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for the reappointment of Mr. Kamlesh Gandhi (DIN: 00044852) as the Managing Director of the Company for a period of Five years w.e.f. April 1, 2024 upon expiring of his existing term on March 31, 2024 and whose office is not liable to retire by rotation.

RESOLVED FURTHER THAT the aggregate amount of Managerial Remuneration will be up to ₹ 65 Lakh per month, which includes salary and allowances together with such annual increments effective from April 1, 2024 subject to the approvals of the Nomination and Remuneration Committee and the Board of Directors respectively to be paid to Mr. Kamlesh Gandhi individually which shall be within the overall ceiling limit as laid down in Section 197 and other applicable provisions of the Companies Act, 2013 and any amendment thereof.

RESOLVED FURTHER THAT approval of members of the Company be and is hereby given to make any further revision in the remuneration payable to Mr. Kamlesh Gandhi during the tenure of his appointment which shall be within the overall ceiling limits as laid down in Section 197 and other applicable provisions of the Companies Act, 2013 and any amendments thereof and in compliance with Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

RESOLVED FURTHER THAT the Board of Directors (including a Committee thereof) be and is hereby authorized to do all such things, deeds and matters and acts as may be required to give effect to this resolution."

Regd. Office:
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

By order of the Board

Riddhi Bhayani
Company Secretary
& Compliance Officer
(Mem. No. A41206)

Place : Ahmedabad
Date : June 21, 2023

NOTES:

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020 General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, General Circular No.2/2022 dated May 05, 2022 and General Circular No. 11/2022 dated December 28, 2022 ("MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) including Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, has permitted the Companies to conduct the Annual General Meeting ('AGM') through Video Conferencing (VC) or Other Audio Visual Means (OAVM) till September 30, 2023. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 (the 'Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the 28th AGM of the Company shall be conducted through VC/OAVM (hereinafter called 'AGM'). Central Depository Services (India) Limited ("CDSL") will provide facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note below and is also available on the website of the Company at www.mas.co.in.

2. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circular dated January 5, 2023, Notice of 28th AGM along with the Annual Report for F.Y. 2022-2023 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice of the 28th AGM and Annual Report for F.Y. 2022-2023 will also be available on the Company's website at www.mas.co.in, website of the stock exchanges i.e., BSE Ltd. ('BSE') at www.bseindia.com and National Stock Exchange of India Ltd. ('NSE') at www.nseindia.com and on the website of CDSL at https://www.evotingindia.com/. In this notice, the term member(s) or shareholder(s) are used interchangeably.

3. The deemed venue for 28th AGM shall be the Registered Office of the Company at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009.

4. In terms of Section 152 of the Companies Act, 2013, Mr. Kamlesh C. Gandhi, (DIN: 00044852), Chairman and Managing Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The relevant details,

pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment/ appointment at this AGM is annexed.

5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 20, 2023 to Wednesday, July 26, 2023 (both days inclusive).

6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effect from April 01, 2020. Accordingly, the Company is required to deduct tax at source from dividend subject to the approval of payment of dividend to shareholders. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

8. To support the 'Green Initiative', the Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form. Further, members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

9. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to ravi@ravics.com with a copy marked to riddhi_bhayani@mas.co.in

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and pursuant to above mentioned MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

13. Pursuant to MCA General Circular No. 10/2022 dated December 28, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

14. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before July 16, 2023 (upto 05:00 P.M.) through email on riddhi_bhayani@mas.co.in. The same will be replied by the Company suitably.

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS 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 Saturday, July 22, 2023 at 09:00 a.m. and ends on Tuesday, July 25, 2023 at 05:00 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 Wednesday, July 19, 2023 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.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and May 13, 2022, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **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 evoting is in progress as per the information provided by company. On clicking the evoting 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 or joining virtual meeting & voting during the meeting. 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

Type of Shareholders	Login Method
	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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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 or joining virtual meeting & voting during the meeting. 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 or joining virtual meeting & voting during the meeting.
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 or joining virtual meeting & voting during the meeting.

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.

(v) Login method for e-Voting and joining virtual meetings 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 Shareholders holding shares in Demat Form other than individual and Physical Form
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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN: 230619002 for the HAS Financial Services Limited on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) 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 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 at his e-mail address ravi@ravics.com and to the Company at the email address viz; riddhi_bhayani@mas.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at riddhi_bhayani@mas.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at riddhi_bhayani@mas.co.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting

through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDER'S WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 riddhi_bhayani@mas.co.in.

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 attending AGM & 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 - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting as well as e-voting during the AGM and make, not later than two working days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.mas.co.in and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

ANNEXURE TO THE EXPLANATORY STATEMENT

INFORMATION AS REQUIRED UNDER REGULATION 36(3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA CERTAIN ADDITIONAL DISCLOSURES IN RESPECT OF DIRECTORS BEING REAPPOINTED / APPOINTED:

Particulars	Retire by Rotation / Re-appointment as the Managing Director	Appointment of Mr. Narayanan Sadanandan (DIN: 07263104) as an Independent Director
Name of the Director	Mr. Kamlesh C. Gandhi	Mr. Narayanan Sadanandan
DIN	00044852	07263104
Date of birth	February 2, 1966	March 11, 1961
Age	57 Years	62 Years
Qualification	He holds Higher secondary school examination certificate from the Gujarat Secondary Education Board, Gandhinagar.	B. Com. University of Madras (1982); Certificate Associate of Indian Institute of Bankers (1990); Completed two Groups in Intermediate Examination of the Institute of Cost and Works Accountants of India (ICWA).
Experience (including expertise in specific functional area) / Brief Resume	He is Founder, Chairman and Managing Director of the Company. He is a first generation entrepreneur with an experience of more than 30 years in the retail financial services industry. Under his leadership, the Company has scaled new heights and has registered a robust growth over a sustained period of over 25 years. He is also the member of Banking and Finance task force of Gujarat Chambers of Commerce and Industry, Chairman of Gujarat Finance Company Association, Co-Chairman of FIDC - an industry body of NBFCs, Co-Chairman of ASSOCHAM MSME Development Council and a member of SME Chamber of India. He is also the managing trustee of Smt. Urmilaben Chimanlal Gandhi Foundation.	He has vast experience of more than 3 decades in all facets of banking, expertise in Fund Management, Investment Banking, Correspondence & International Banking, Corporate, Commercial and Retail (including MSME) banking. He is also an Advisor - Equity Capital Market, SBI Capital Markets Ltd and Ex MD & CEO - SBI Pension Funds Private Ltd.
Nature of his expertise in specific functional areas	Management & Finance	Management & Finance
Terms and Conditions of Re-appointment	As details mentioned in the explanatory statement for item No. 6 of the Notice	As details mentioned in the explanatory statement for item No. 5 of the Notice
Remuneration last drawn	INR 5.07 Crs (F.Y. 2022-23)	Not applicable as it is fresh appointment
Designation	Chairman & Managing Director	Non-Executive Independent Director
Remuneration proposed to be paid	As per existing terms and conditions	Not applicable; he will be paid sitting fees.
Date of first appointment on the Board	May 25, 1995	June 21, 2023
Shareholding in the company	63,40,508 (11.60%) Equity Shares as on March 31, 2023.	Nil
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	Not applicable	Not applicable
Number of Meetings of the Board attended during the year 2022-23	6 (Six)	Not applicable
Names of listed entities in which the person also holds the Directorships (excluding this Company)	Nil / Not Applicable	Nil / Not Applicable

Particulars	Retire by Rotation / Re-appointment as the Managing Director	Appointment of Mr. Narayanan Sadanandan (DIN: 07263104) as an Independent Director
Names of listed entities in which the person also holds Membership of Committees of Board.* (excluding this company)	Not Applicable	Not Applicable
Chairman / Directorship of other companies	• MAS Rural Housing & Mortgage Finance Limited • Prarthna Marketing Private Limited • Finance Industry Development Council • MASFIN Insurance Broking Private Limited • Swalamb Mass Financial Services Ltd.	Allied Blenders And Distillers Limited
Names of companies along with listed entities in which person has resigned in the past three years.	Not Applicable	Not Applicable
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	He has experience in Financial Service sector, leadership capabilities, expertise in Strategic Investments, Business Transformation and Risk Management as the skills and capabilities required for the role.	Financial Services, Expertise in Governance, Risk Management.
Justification for choosing the appointee for appointment as Independent Director	As mentioned in the explanatory statement.	As mentioned in the explanatory statement.

*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee across all Listed Companies including this company.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts.

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item No. 4 to 6 of the Notice.

Item No.: 4. Alteration of Articles of Association of the Company:

Pursuant to Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 it is proposed to amend the Articles of Association of the Company which states:

"If an issuer is a company, it shall ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors:

Provided that the issuer whose debt securities are listed as on the date of publication of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 in the official gazette, shall amend its Articles of Association to comply with this provision, on or before September 30, 2023:

Provided further that the issuer, which is in default of payment of interest or repayment of principal amount in respect of listed debt securities, shall appoint the person nominated by the debenture trustee(s) as a director on its Board of Directors, within one month from date of receipt of nomination from the debenture trustee or the date of publication of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 in the official gazette, whichever is later."

Hence it is proposed to amend clause 45 of the Articles of Association of the Company in the following manner pursuant to Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force):

The number of Directors shall not be less than three and shall not be more than fifteen, excluding nominee Directors appointed by any Financial Institutions or any other Institutions or Banks or Debenture Trustee. Provided, that the Company may appoint a director in excess of the limit provided above by passing a special resolution.

None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the proposed resolution.

The Board recommends the special resolution set forth in the Item No. 4 of the Notice for approval of the Members.

Item No.: 5. Appointment of Mr. Narayanan Sadanandan (DIN: 07263104) as an Independent Director of the Company:

The Board with a view to strengthen the Board with professionals from diversified background and including finance background specifically, at its meeting held on June 21, 2023, subject to approval of shareholders, based on the recommendation of the Nomination and Remuneration Committee ('NRC'), appointed Mr. Narayanan Sadanandan as an Additional and Independent Director with effect from June 21, 2023 for a term of five consecutive years.

The Nomination and Remuneration Committee, inter alia, have identified experience in Financial Services, Expertise in Governance, Risk Management as the skills and capabilities required for the role. Considering the profile and experience of Mr. Narayanan Sadanandan, the Nomination and Remuneration Committee and the Board is of the view that he meets the above skills and capabilities.

Mr. Narayanan Sadanandan is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 (the 'Act'). He has confirmed that she is not debarred from holding the office of director by virtue of any order from SEBI or any such authority and has given his consent to act as Director of the Company.

The Company has also received declaration from him that he meets the criteria of independence as prescribed, both, under section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In the opinion of the Board, Mr. Narayanan Sadanandan fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the Management.

In connection with the aforementioned, a notice in writing in the prescribed manner as required by section 160 of the Act and Rules made thereunder, has been received by the Company, regarding candidature of Mr. Narayanan Sadanandan for the office of the director. The copy of letter of appointment issued to Mr. Narayanan Sadanandan setting out the terms and conditions of his appointment is available electronically for inspection by the members.

In terms of regulation 25(2A) of the Listing Regulations, a special resolution is required for appointment of an Independent Director. Further, as per regulation 17(1C) of the Listing Regulations, appointment of a person on the Board has to be approved by shareholders within a period of three months, and accordingly, approval of members is being sought.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Narayanan Sadanandan is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his shareholding, if any, in the Company in the special resolution set out at Item No. 5 of the Notice.

The Board recommends the special resolution set out at Item No. 5 of the Notice for approval by members.

Item No.: 6. Re-appointment of Mr. Kamlesh C. Gandhi (DIN: 00044852) as the Managing Director of the Company:

Mr. Kamlesh C. Gandhi was re-appointed as the Managing Director of the Company for a period of five years at the Annual General Meeting held on June 26, 2019 with effect from April 1, 2019 till March 31, 2024. The Board at its meeting held on June 21, 2023 re-appointed Mr. Kamlesh C. Gandhi as the Managing Director of the Company for a period of 5 years with effect from April 1, 2024 on the terms and conditions as set out in this item of the Notice and as per draft agreement executed between Mr. Kamlesh C. Gandhi and the Company.

Considering Mr. Kamlesh C. Gandhi's knowledge of various aspects relating to the Company's affairs and long business experience, the Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on June 21, 2023 approved the re-appointment of Mr. Kamlesh C. Gandhi as the Managing Director with effect from April 1, 2024 up to March 31, 2029 subject to approval of shareholders, on such remuneration and terms & conditions as set out in the resolutions under Item No. 6. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Mr. Kamlesh C. Gandhi and his relatives are deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the proposed resolution.

The Board recommends the resolutions set forth in the Item No. 6 of the Notice for approval of the Members.

Regd. Office:
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

By order of the Board

Riddhi Bhayani
Company Secretary
& Compliance Officer
(Mem. No. A41206)

Place : Ahmedabad
Date : June 21, 2023

Contact Details:

Company	MAS Financial Services Limited 6, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009. CIN: L65910GJ1995PLC026064
Company Secretary & Compliance Officer	Ms. Riddhi Bhaveshbhai Bhayani Email Id: riddhi_bhayani@mas.co.in
Registrar and Transfer	Link Intime India Private Limited C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083
e-Voting Agency	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone : 022- 22723333 / 8588
Scrutinizer	Mr. Ravi Kapoor, Proprietor of Ravi Kapoor & Associates Practicing Company Secretaries E-Mail id: ravi@ravics.com

Directors' Report

To,
The Members,
MAS FINANCIAL SERVICES LIMITED
Ahmedabad

Your Directors are pleased to present the **Twenty Eight (28th)** Annual report of your Company along with the Audited Standalone and Consolidated Accounts drawn for the financial year ended on March 31, 2023.

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

FINANCIAL RESULTS:

(Amount in ₹ Crore)

Particulars	Standalone		Consolidated	
	Year Ended on March 31, 2023	Year Ended on March 31, 2022 (Restated)	Year Ended on March 31, 2023	Year Ended on March 31, 2022 (Restated)
Revenue from Operations	946.09	655.57	987.83	690.24
Other Income	3.00	1.51	2.43	0.93
Total Income	**949.09**	**657.08**	**990.26**	**691.17**
Total Expenditure	**684.39**	**445.78**	**718.61**	**474.62**
Profit Before Tax	264.70	211.30	271.65	216.55
Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	63.74	53.75	65.83	55.35
Net Profit	**200.96**	**157.55**	**205.82**	**161.20**
Profit Brought Forward	533.21	422.28	537.08	425.33
Net Profit after profit attributable to minority shareholders	-	-	(2.56)	(1.97)
Item of other comprehensive income recognised directly in retained earnings - on defined benefit plan	0.04	(0.08)	0.05	(0.07)
Profit Available for Appropriation	**734.21**	**579.75**	**740.39**	**584.49**
APPROPRIATIONS:				
Transfer to reserve u/s 45-IC of RBI Act, 1934	(40.19)	(31.51)	(40.19)	(31.51)
Transfer to reserve u/s 29-C of NHB Act, 1987	-	-	(1.16)	(0.87)
Final Dividend on equity shares	(9.57)	(8.20)	(9.57)	(8.20)
Interim Dividend on Equity Shares	(9.84)	(6.83)	(9.84)	(6.83)
Dividend distribution tax on Equity Shares	-	-	-	-
Surplus Balance carried to Balance Sheet	**674.61**	**533.21**	**679.63**	**537.08**

BUSINESS PERFORMANCE:

In terms of consolidated basis:

The Group's revenue from operations for the financial year was ₹ 987.83 Crores, higher by 43.11% over the previous year's revenue from operations of ₹ 690.24 Crores. Net Profit (PAT) is ₹ 205.82 Crores which is higher by 27.68% over the previous year's PAT of ₹ 161.20 Crore. The Earnings per share is ₹ 37.18 (Previous years ₹ 29.13).

In terms of Standalone basis:

The Company's revenue from operations for the financial year was ₹ 946.09 Crores, higher by 44.32% over the previous year's revenue from operations of ₹ 655.57 Crores. Net Profit (PAT) is ₹ 200.96 Crores which is higher by 27.55% over the previous year's PAT of ₹ 157.55 Crore. The Earnings per share is ₹ 36.76 (Previous years ₹ 28.82).

PROSPECTS AND DEVELOPMENTS:

The Company continues to recognize a vast market opportunity for efficient last mile credit delivery, particularly for NBFCs and other financial institutions seeking significant growth prospects. Our strategic approach involves a multi-product and multi-locational strategy, providing a distinct advantage in risk management and scalability. This allows us to cater effectively to a diverse customer base while minimizing risks and maximizing operational efficiency. The advent of digitization and the company's focus on the

same will be a strong catalyst for not only better operational efficiencies but also high quality customer services.

Our primary focus centers on serving the lower and middle-income segments, which are key drivers of the economy. By tailoring our products and services to meet their unique needs, we contribute to their financial well-being and empower them to achieve their goals. This customer-centric focus not only supports individual growth but also strengthens the overall economic landscape.

With our deep understanding of market dynamics, commitment to innovation, and customer-centricity, we are well-positioned within the industry. Our dedicated team of professionals continually delivers exceptional value and fosters long-term relationships with our clients.

Considering the immense market potential and our strategic pursuits, we are confident about the future prospects of the Company. We actively explore new opportunities, forge strategic alliances, and adapt to evolving market conditions to ensure sustainable growth and profitability.

In conclusion, the Company is poised to leverage the significant market demand for efficient last mile credit delivery. Our multi-product and multi-locational approach, coupled with our unwavering focus on the lower and middle-income segments, strengthens our position within the industry. By capitalizing on these opportunities, we aim to drive growth, maximize value for stakeholders, and make a significant contribution to the broader economy.

SMALL AND MEDIUM ENTERPRISE LOAN:

Working capital loans to the SME continue to show lot of promise as expected. We are in the continuous process of understanding the segment and are keen to add value to all such small and medium enterprises by extending the most efficient financial services. In consonance to our policy of building up quality assets, we are confident of creating quality assets in this segment too. The focus remains on states of operation namely Gujarat, Rajasthan, Madhya Pradesh, Maharashtra, Tamil Nadu and Karnataka.

TWO WHEELER AND COMMERCIAL VEHICLE FINANCING:

We continue also to focus on Two-Wheeler and Commercial Vehicle financing and we adopt such business models which generate required return on assets and the quality portfolio. While the Company is keen to increase this portfolio, the endeavor will be to balance between yields, asset quality and growth. We are confident that as we spread to newer geographies within our distribution network, we will be achieving the desired objectives. With the expected growth of the economy we anticipate the commercial vehicle business to contribute increasingly in the overall AUM mix. Two-wheeler also gaining momentum will be contributing higher in the coming year as compared to the previous years.

HOUSING FINANCE:

MAS Rural Housing & Mortgage Finance Limited ("MRHMFL" or "the Subsidiary") continues to serve the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. Full-fledged efforts are on to execute efficiently, as per the detail planning. Being aware of the challenges involved in serving this class of the society, a very cautious approach is adopted in building up volumes. Nevertheless, Company is quite confident of building substantial volumes in the near future. The Company's rural initiative will also start yielding results shortly.

The Company has 73 branches Pan India as on March 31, 2023. It is worth mentioning that despite of credit worthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all the stakeholders to smoothen the process and is assertive in getting the right set of documents.

We persistently strive forward, driven by our unwavering commitment to creating a high-quality portfolio and adding substantial value to the ecosystem in which we operate. With confidence, we are dedicated to achieving these goals.

DISTRIBUTION NETWORK:

The Company has a strong retail presence & distribution network pan India. As on April 1, 2022 the Company had 125 branches in 7 territories Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, and Delhi NCR. During the year and pursuant to the expansion plans of the Company, the Company opened 6 branches in Gujarat, 2 branches in Maharashtra, 3 branches in Rajasthan, 9 branches in Madhya Pradesh, 3 branches in Karnataka along with a fresh location of Chattisgarh. At the end of the year, the total branches were 149 and the Company served 9000+ Customer locations.

The company will thrive to distribute all its financial products efficiently across its potential 9000+ centers, which provides huge opportunity of growth and serving the unserved. This vast penetration along with the dictum of "Extending credit where it is due" will create a sustainable, scalable and profitable business for the company in the near future.

PARTNERING WITH REGIONAL NBFCS AND NBFC-MFIS:

Over a decade of our working with this sector, our belief is further strengthened, that financial inclusion in a country like India is a function of efficient last mile delivery of credit, for which a very robust value chain has to be nurtured and developed. NBFCs in special play a pivotal role in this value chain. This business model withstood its credibility and our expectations even during the most trying period during the last year.

Partnering with regional NBFCs and NBFC-MFIs for distribution of various products and providing them the line

of credit also remains one of the major business plans. We firmly believe that the players having proximity to the region are the most potential organization in the last mile delivery of credit. We not only fund them but also share with them the domain expertise, which the company possesses through its vintage of more than two decades. We continue to get encouraging response from our entire partner NBFCs and are keen to leverage the relationships for mutual benefits. Currently we have very strong relationships with more than 140+ such organizations.

RESOURCES:

HUMAN RESOURCE MANAGEMENT AT MAS:

Human Resource Management plays a pivotal role in realizing the Company's objective. Company believes that employees are the driving force for business growth, branding, and customer satisfaction. The Company has established a robust Human Resources ('HR') system that nurtures a high performing, conducive and inclusive work culture. It is managed by the active involvement of the promoters along with strategic inputs from a well-diversified and competent board. It emphasizes on the freedom to express views, competitive pay structure, performance-based reward system and growth opportunities and internal job opportunities, critical assignments within the organisation for career options for the employees.

In an ever-evolving landscape driven by technology and digital advancements, your Company remains steadfast in its commitment to long-term personnel development, aiming for organizational excellence. The Company consistently strives to provide avenues for professional growth and recognition, while also prioritizing employee training. The training programs are an essential component of the Company's comprehensive skill development initiatives tailored for its workforce. During the year, several initiatives, such as performance management systems, Learning & Development system and Talent Management system were put in place for efficient and effective organization.

The articulation and implementation of the strategies is carried on by the core team along with Team MAS. Core team at MAS is a group of dedicated and competent team of personnel, associated with the company almost since its inception and have always extended unstinting support besides, having identified and aligned their career objective with the company.

The Company has a diverse workforce of 1154 employees as on March 31, 2023. Moving forward, the Company remains steadfast in its commitment to fostering and developing the most suitable talent in order to effectively accomplish its business objectives.

Attracting, enabling, promoting and retaining talent have been the keystone of Human Resource functions at MAS. We trust with all the above qualities accompanied by the determination to excel, this team forms a formidable second line of management at MAS.

In our relentless pursuit of nurturing an enabling human capital, your Company will continue to make concerted efforts to reinforce and fortify this invaluable resource.

The Company is certified as "Great place to Work" January, 2023 – January, 2024 by Great Place to Work - Global Authority on Workplace Culture.

CAPITAL AND LIABILITY MANAGEMENT:

As we reflect on the first full uninterrupted year of working post-COVID, we cannot help but acknowledge the humbling experience it has been. Throughout this period, we have received tremendous respect from investors across all categories, underscoring the trust they place in our Company. Guided by our steadfast philosophy of "Excellence through Endeavours" we remain resolute in our commitment to maximizing shareholders' value. This unwavering dedication will continue to propel us forward as we embark on new endeavours.

The Company continues to pursue an efficient capital management policy, which aims at maximizing the return on capital employed and at the same time adhering to the prudential guidelines laid down by RBI from time to time.

The Company by virtue of its performance over the years enjoys very good relationships with many leading banks and financial institutions. The Company could raise the required resources from various banks and financial institutions comfortably. We anticipate the same response from all our lending partners for the coming years too. The Company anticipates credit lines from few more banks and financial institutions besides the existing ones.

The confidence and respect of bankers towards your Company persist as we serve as their trusted partner in efficiently delivering credit solutions. We deeply appreciate the invaluable support and cooperation extended by investors and consortium member banks, which have played a constructive role in our operations.

CAPITAL ADEQUACY RATIO:

As on March 31, 2023, the Company's Capital Adequacy Ratio (CAR), stood at 25.25% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off balance sheet items, which is well above the regulatory minimum of 15%, providing much needed headroom for fund raising for business operations of the Company.

ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013:

In pursuance to the provisions of Section 92(3) of the Companies Act, 2013 read with Rules made thereunder and amended time to time, the Annual Return of the Company for the Financial Year ended on March 31, 2023 is available on the website of the company i.e. www.mas.co.in and the web link of the same is https://mas.co.in/annual-return.aspx.

BOARD MEETINGS HELD DURING THE YEAR:

The Company had Six Board Meetings during the financial year under review.

Sr. No.	Date on which Board Meetings were held	Total Strength of the Board	No. of Directors Present
1	May 4, 2022	6	6
2	July 6, 2022	6	4
3	August 3, 2022	6	5
4	November 2, 2022	6	5
5	February 1, 2023	6	6
6	February 20, 2023	6	6

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability would like to state that:

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

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they had prepared annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;

f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were in place were adequate and operating effectively.

COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report. **"Annexure – A"**. The weblink for the same is https://mas.co.in/policy.aspx.

AUDITORS:

Statutory Auditors:

At the 26th Annual General Meeting held on August 25, 2021, the members had appointed M/s. Mukesh M. Shah & Co., Chartered Accountants (Firm Registration No. 106625W), Ahmedabad as Statutory Auditors for a term of three years beginning from the conclusion of the 26th AGM till the conclusion of the 29th Annual General Meeting of the Company to be held for the financial year 2023-24.

Secretarial Auditors:

In the Board Meeting held on May 04, 2022 M/s. Ravi Kapoor & Associates, Practising Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2022-23.

SECRETARIAL AUDIT REPORT:

In pursuance to the provisions of Section 204 of the Companies Act, 2013 read with Rules framed thereunder and in compliance of Regulation 24A of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") M/s. Ravi Kapoor and Associates, Practising Company Secretaries, had conducted secretarial audit of the company for the financial year 2022-23. There was no qualification or adverse remarks made by the auditor in their report and the said Secretarial Audit Report is annexed which is forming part to this report as **"Annexure – B"**.

EXPLANATIONS OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

(i) By the Statutory Auditors in his report;

There is no qualification, reservation or adverse remark raised by Statutory Auditor in Auditor's report for the year under review.

(ii) By the Company Secretary in Practice in his Secretarial Audit Report;

There is no qualification, reservation, adverse remark or disclaimer in audit report issued by the Secretarial Auditors of the Company.

FRAUDS REPORTED BY THE AUDITOR:

During the year under review, no frauds have been reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee / Board, under Section 143(12) of the Companies Act, 2013.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Company has received declarations from Mr. Bala Bhaskaran, Mr. Chetan Shah, Mr. Umesh Shah and Mrs. Daksha Shah, Independent Directors of the Company that they meet with the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 read with Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 16 & 25 Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

All Independent Directors of your Company are registered with Indian Institute of Corporate Affairs as per the requirement of Section 149 of the Companies Act, 2013 and rules framed thereunder.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, paid to them for the purpose of attending meetings of the Board / Committee of the Company.

MATTERS AS PRESCRIBED UNDER SUB-SECTIONS (1) AND (3) OF SECTION 178 OF THE COMPANIES ACT, 2013:

The Company constituted its Nomination Committee on December 23, 2010 and the nomenclature of the Nomination committee was changed to "Nomination and Remuneration Committee" on March 20, 2015 pursuant to Section 178 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, by way of resolution passed in accordance with, provisions of the Companies Act, 2013. The Nomination & Remuneration Committee consists of three Independent Directors. The powers and function of the Nomination and Remuneration Committee is stated in the Nomination and Remuneration Committee Charter of MAS Financial Services Limited. The Remuneration policy is available at the Web link https://www.mas.co.in/policy.aspx

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As the Company being a NBFC registered with RBI the restrictions contained in the said provisions are not applicable to the Company.

During the year under review the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company refer to Note No. 9 of the financial statements.

PARTICULARS CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188:

All Contracts / Arrangements / Transactions executed by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. The Audit Committee reviews all Related Party Transaction on quarterly basis. Particulars of such related party transactions described in Form AOC-2 as required under Section 134 (3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, which is annexed herewith as **"Annexure - C"**.

The related party disclosures as specified under Para A of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 is forming part in Notes to Financial Statements.

The board has approved a policy for related party transactions which has been hosted on the website of the Company. The web-link for the same is https://www.mas.co.in/policy.aspx. The related party transactions, wherever necessary are carried out by company as per this policy. There were no materially significant related party transactions entered into by the company during the year, which may have potential conflict with the interest of the company at large. There were no pecuniary relationship or transactions entered into by any Independent Directors with the company during the year under review.

AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES:

During the year under review ₹ 40.19 crore transferred to statutory reserve under Section 45 IC of RBI Act, 1934.

DIVIDEND:

The Company had paid an Interim Dividend of ₹ 1.80/- (Rupees One decimal Eighty only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (18%) aggregating to ₹ 9,83,91,677/- (Rupees Nine Crore Eighty Three Lakh Ninety One Thousand Six Hundred Seventy Seven Rupees), during the financial year 2022-23. The same was declared by Board of Directors in their meeting held on February 01, 2023. The said dividend was paid on February 17, 2023.

Your Directors are pleased to recommend a Final Dividend of ₹ 1.85/- (Rupees One decimal Eighty Five Paise Only) per Equity Share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (18.5%) aggregating to 10,11,24,779.55/- (Rupees Ten Crore Eleven Lakh Twenty Four Thousand and Seven Hundred Seventy Nine Rupees and Fifty Five Paisa Only) for the Financial year 2022-23, subject to the approval of members in the ensuing Annual General Meeting of the Company. The payment of Final Dividend shall be paid to those members whose names appears in the Register of Members of the Company or in the records of depositories as beneficial owners of Equity Shares as on July 19, 2023 being the record date fixed by the Board to identify the shareholders to whom final dividend to be paid by the Company for the financial year 2022-23. The payment of final dividend will be subject to deduction of tax at source as per the applicable rate.

The dividend recommended is in accordance with the criteria as set out in the Dividend Distribution Policy which has been approved by the Board of Directors. Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy is forming part to the report as **"Annexure - D"**. The weblink for the same is https://www.mas.co.in/policy.aspx

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

The company has changed its policy whereby gain on assignment of financial asset was recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and was amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. Such policy was adopted by the management for more prudent and fair presentation of financial statements by exercising their judgement under para 19 of Ind AS 1 "Presentation of financial statements".

During the quarter ended March 31, 2023, the Company has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio.

The new accounting policy has been implemented retrospectively and being presented from the beginning of the earliest period i.e. April 1, 2021.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- **Conservation of Energy and Technology Absorption:**

  Since the Company is operating in service sector, the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy and Technology Absorption are not applicable.

- **Foreign Exchange earnings and outgo**

  The Company has no Foreign Exchange earnings and outgo.

RISK MANAGEMENT:

Financing activity is the business of management of risks, which in turn is the function of the appropriate credit models and the robust systems and operations. Your Company continues to focus on the above two maxims, and is always eager to improve upon the same.

Your Company continues to give prime importance to the function of receivables management, as it considers this the ultimate reflection of the correctness of marketing strategy as well as appraisal techniques. The Net stage 3 of the Company is 1.52% of Asset under Management as on March 31, 2023.

Pursuant to Regulation 21(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the regulations of Risk management committee is applicable to top 1000 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year. The Board of Directors has thus adopted a risk management policy for the Company which provides identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy. The web-link for the same is https://mas.co.in/policy.aspx

The Company has in place a Risk Management Policy and introduced several measures to strengthen the internal controls systems and processes to drive a common integrated view of risks, optimal and mitigation responses. This integration is enabled through a dedicated team and Risk Management, Internal Control and Internal Audit systems and processes.

Corporate Social Responsibility (CSR):

Your Company remains steadfast in its commitment to responsibly address the evolving needs of the communities in which it operates, recognizing the importance of giving back to society proportionate to its business success. Throughout the year, your Company has diligently pursued various initiatives in alignment with its CSR policy, focusing on the areas of Health, Welfare, and Education, thereby contributing to the betterment of society at large.

As a responsible corporate entity, we believe in leveraging our resources to support the community, particularly during challenging times. In line with this belief, the Company launched the "MAS Arogya Abhiyan" distributing BiPAP machines and assisting those in needs. The Company has also facilitated the family of martyrs in the event of 75th Independent day – Azadi Ka Amrit Mahotsav. Further, the Company installed Ultra Sound Machines at the Indian Army - Military Hospital, Ahmedabad.

As part of its robust corporate social responsibility (CSR) initiatives, your Company recognized the challenges faced by a significant section of the population across the country in meeting their basic food requirements. In response, the Company took proactive measures by organizing a food distribution drive in Gujarat, wherein raw food packets comprising essential grocery items were provided to villages in need. This CSR endeavor was specifically designed to alleviate the hardships faced by vulnerable individuals and extend support to those tirelessly working on the ground with limited resources. By addressing the pressing issue of food scarcity, the Company demonstrated its commitment to social welfare and contributed to the well-being of communities in need.

Education is widely regarded as a stepping stone for enhancing the quality of life, particularly for underprivileged individuals. Recognizing this, the Company has identified bright students who aspire to pursue higher studies but face financial constraints. We have extended financial support to help them achieve their dreams. In our commitment to societal development, addressing the root causes and striving for 100% literacy rate, the Company actively invests in

the education of these students. Apart from sponsoring their fees, we provide school bags, stationery, uniforms, sweaters, school shoes, and other necessary provisions, relieving parents and students from the burden of additional costs and enabling them to concentrate on their studies. The Company's management team proactively engages with schools located on the outskirts of Ahmedabad and Gandhinagar to assess the infrastructure provided to students and explore opportunities for further support. Many schools were found to lack basic amenities such as fans, lights, and tables, while students were exposed to scorching heat while having meals provided by the government. Consequently, infrastructure-related projects were prioritized, with the Company stepping in to provide essential facilities like fans, lights, benches, computers, construction of play area including swings and most importantly, constructing sheds to shield students from heat-related illnesses. The "MAS Shiksha Protsahan" initiative embodies the ideology of transforming lives through the continuous generation of knowledge and empowerment. Accordingly, the Company has allocated funds in accordance with its policy and prescribed CSR guidelines.

Menstrual hygiene in rural areas is a significant issue that affects the well-being and empowerment of women and girls. Menstrual hygiene is of paramount importance in rural areas, where access to resource like sanitation facilities, clean water, and affordable menstrual products is limited or absent. This lack of resources and infrastructure poses numerous challenges and can have negative consequences for women and girls during their menstrual cycles. In order to address this problem, the Company has distributed sanitary napkins to females in nearby villages, ensuring their well-being and promoting proper hygiene practices.

Looking ahead, your Company is committed to increasing its CSR impact and expenditure in the coming years, with a continued focus on rural development, health promotion, and sanitation. In line with this commitment, the Company has identified various long-term projects aimed at promoting education, sanitation, health, and welfare, striving to enhance overall well-being and elevate the quality of life for all.

The CSR Report for the Financial Year 2022-2023 is annexed to this report as **Annexure: E.** The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: https://www.mas.co.in/policy.aspx

FORMAL EVALUATION OF THE PERFORMACE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of its Committees. The evaluation was carried on the basis of structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, level of engagement and participation, Board culture, execution and performance of specific duties, obligations and governance. The Board has expressed their satisfaction with the evaluation process.

In pursuant to Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of Independent Directors were done by the entire board of directors which includes –

(a) Performance of the directors; and

(b) Fulfillment of the independence criteria as specified in the regulations and their independence from the management.

Criteria adopted for evaluation:

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct. Further, in a separate meeting of Independent Directors, performance of non-independent directors, the Board as whole and the Chairman of the Company was evaluated.

(i) Performance review of all the Non-Independent Directors of the company on the basis of the activities undertaken by them, expectation of board and level of participation;

(ii) Performance review of the Chairman of the Company in terms of level of competence of chairman in steering the company;

(iii) The review and assessment of the flow of information by the Company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;

(iv) The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;

(v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

We have invested in a new Company, incorporated on August 05, 2022 amount of ₹ 34,50,000/- for 69% holding in Equity

Shares named MASFIN Insurance Broking Private Limited. With the establishment of this subsidiary, your Company now proudly boasts two subsidiaries i.e. MAS Rural Housing and Mortgage Finance Limited and MASFIN Insurance Broking Private Limited, further expanding its operational reach and diversifying its offerings, this strategic development reflects the Company's commitment to exploring new avenues and strengthening its presence in the insurance industry.

Pursuant to the provision of Section 129(3) of the Companies Act, 2013, the performance and financial position of Subsidiaries, Associates and Joint Venture companies are described in Form AOC-1 which is annexed herewith as **"Annexure - F"**. Further the Company does not have any Joint Venture or Associate Company.

PARTICULARS OF EMPLOYEES:

The information required under section on 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned as per **"Annexure – G"**.

THE CHANGE IN NATURE OF BUSINESS:

The Company continues to carry out the same activities and during the period under review there is no change in the nature of business.

DISCLOSURE ABOUT RECEIPT OF ANY COMMISSION BY THE MANAGING DIRECTOR / WHOLE-TIME DIRECTOR FROM A COMPANY:

The Company has not paid any commission to the Managing Director / Whole-Time Director against any services during the period under review.

PUBLIC DEPOSITS:

The Company is Non - deposit taking Non-Banking Financial Company registered with Reserve Bank of India and is prohibited from accepting public deposits and therefore the Company has not accepted any deposits from public during the year under review and there was no public deposit outstanding as on March 31, 2023.

CAPITAL STRUCTURE:

During the year under review there was no change in the capital structure of the Company.

DEBENTURES:

During the year under review there was no change in the following Non-Convertible Debentures ("NCDs") of the Company.

1. 10000 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("NCDs") of face value of ₹ 1,00,000/- (Rupees One Lakh Only) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crores) bearing ISIN **INE348L07084** at the rate of (a) 8.50% p.a. (Eight Decimal Five Zero Percent) (XIRR), if the Reference Index Performance is greater than 75% (Seventy Five Percent); and/or (b) 8.45% (Eight Decimal Four Five Percent) (XIRR), if the Reference Index Performance is equal to or lesser than 75% (Seventy Five Percent) but greater than 25% (Twenty Five Percent); and/or (c) 0% (Zero Percent) (XIRR), if the Reference Index Performance is lesser than or equal to 25% (Twenty Five Percent).

2. 1000 (One Thousand) Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures denominated in Indian Rupees, each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh only) aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crore only) inclusive of a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crore only) comprising of 500 (Five Hundred) Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non - convertible Debentures denominated in Indian Rupees and on a private placement basis bearing ISIN **INE348L07092** at the rate of (a) 8.50% (Eight Decimal Five Zero Percent) (XIRR), if Reference Index Performance is greater than 75% (Seventy Five Percent); and/or (b) 8.45% (Eight Decimal Four Five Percent) (XIRR), if the Reference Index Performance is equal to or lesser than 75% (Seventy Five Percent) but greater than 25% (Twenty Five Percent); and/or (C) 0% (Zero Percent) (XIRR), if the Reference Index Performance is lesser than or equal to 25% (Twenty Five Percent) were issued on September 17, 2021

3. 50 (Fifty) unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 1,00,00,000 (Indian Rupees One Crore) aggregating to ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue"). bearing ISIN **INE348L08041** at the rate of 10.75% (Ten decimal seven five Percentage) p.a. were issued on October 20, 2021.

4. 1000 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures Denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000/- aggregating to ₹ 100 Crore ("Debentures" or "NCDs") inclusive of a Green shoe option of up to ₹ 50 Crore comprising of 500 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures Denominated in Indian Rupees ("INR") (The "Issue"). each aggregating to ₹ 100,00,00,000/- (Rupees One hundred Crores) bearing ISIN **INE348L07100** at the rate of (a) 8.50% (Eight Decimal Five Zero Percent) (XIRR), if Reference Index Performance is greater than 75% (Seventy Five Percent); and/or (b) 8.45% (Eight Decimal Four Five Percent) (XIRR), if the Reference Index Performance is equal to or

lesser than 75% (Seventy Five Percent) but greater than 25% (Twenty Five Percent); and/or (c) 0% (Zero Percent) (XIRR), if the Reference Index Performance is lesser than or equal to 25% (Twenty Five Percent) were issued on November 25, 2021.

5. 500 (five hundred) unlisted, subordinated, unsecured, redeemable, non-convertible debentures, having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) bearing ISIN **INE348L08058** at the rate of 10.75% (Ten decimal seven five Percentage) p.a. were issued on December 29, 2021.

Over the course of the reviewed timeframe, the following Non-Convertible Debenture of the Company was redeemed:

1. 400 Rated, Listed, Unsecured Redeemable Non-convertible Debentures ("NCDs") of face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each aggregating to ₹ 40,00,00,000/- (Rupees Forty Crore) bearing ISIN **INE348L08033** at the rate of 13% p.a.

2. 6500 Rated, Senior, Redeemable, Taxable, Transferable, Listed, Principal Protected Market Linked Non-Convertible Debentures ("NCDs") of face value of ₹ 1,00,000/- (Rupees One Lakhs Only) each aggregating to ₹ 65,00,00,000/- (Rupees Sixty Five Crores) bearing ISIN **INE348L07076** at the rate of 8.80% p.a.

During the period under the review, the following Non-Convertible Debenture of the Company was issued:

1. 1,000 (one thousand) rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 100,00,00,000 (Indian Rupees One Hundred Crore) including a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crore) bearing ISIN **INE348L07118** at the rate of (a)8.60% (eight decimal six zero percent) (XIRR), if the Yield is lesser than or equal to 18% (eighteen percent); (b) 8.10% (eight decimal one zero percent) (XIRR), if the Yield is lesser than or equal to 24% (twenty four percent) but greater than 18% (eighteen percent); and/or (c) 0% (zero percent) (XIRR), if the Yield is greater than 24% (twenty four percent) were issued on June 6, 2022.

2. 500(Five Hundred) rated, listed, redeemable, senior, secured, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures") bearing ISIN **INE348L07126** at the rate of 8.93% (Eight Decimal nine three percentage)p.a. were issued on June 22, 2022.

3. 1000(One Thousand) rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 100,00,00,000 (Indian Rupees One Hundred Crore) ("Debentures") bearing ISIN **INE348L07134** at the rate of (a)8.60% (eight decimal six zero percent) (XIRR), if the Yield is lesser than or equal to 18% (eighteen percent); (b) 8.10% (eight decimal one zero percent) (XIRR), if the Yield is lesser than or equal to 24% (twenty four percent) but greater than 18% (eighteen percent); and/or (c) 0% (zero percent) (XIRR), if the Yield is greater than 24% (twenty four percent) were issued on July 29, 2022.

4. 250(Two Hundred and Fifty) unlisted, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 25,00,00,000 (Indian Rupees Twenty Five Crore) ("Debentures") bearing ISIN **INE348L08066** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on September 29, 2022.

5. 1000(One Thousand) rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 100,00,00,000 (Indian Rupees Hundred Crore) ("Debentures") bearing ISIN **INE348L07142** at the rate of (a)8.90% (eight decimal nine zero percent) (XIRR), if the Yield is lesser than or equal to 18% (eighteen percent); (b) 8.80% (eight decimal eight zero percent) (XIRR), if the Yield is lesser than or equal to 24% (twenty four percent) but greater than 18% (eighteen percent); and/or (c) 0% (zero percent) (XIRR), if the Yield is greater than 24% (twenty four percent) were issued on December 01, 2022.

6. 3500(Thirty Five Hundred) unlisted, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) and an aggregate face value of ₹ 35,00,00,000 (Indian Rupees Thirty Fifty Crore) ("Debentures") bearing ISIN **INE348L08074** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on December 21, 2022.

7. 5000(Five Thousand) listed, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures") bearing ISIN **INE348L08082** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on March 10, 2023.

8. 5000(Five Thousand) listed, subordinated, unsecured, redeemable, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures") bearing ISIN **INE348L08090** at the rate of 10.75% (Ten Decimal Seventy Five percentage) p.a. were issued on March 27, 2023.

STATUTORY COMPLIANCE:

The Company has complied with Ind AS as prescribed under section 133 of the Companies Act, 2013. The Company has also complied with the directions issued by RBI from time to time.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

MATERIAL ORDER PASSED BY REGULATORS / COURTS / TRIBUNALS:

There was no material order passed by Regulators / Courts / Tribunals during the year under review impacting the going concern status and company's operations in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROL:

Internal Financial Control remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process to adopt best practices. In pursuance to provisions of Section 134(5)e) of the Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 your Company has in place adequate internal controls with reference to financial statements and are operating effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business. The Board has appointed Ms. Deepika Agarwal as the Head of internal auditor and M/s. VSSB & Associates, Chartered Accountants as a Third party Internal Auditor of the Company pursuant to provisions of Section 138 of the Companies Act, 2013 in order to ensure proper internal financial control.

INSURANCE:

The assets of your Company have been adequately insured. Further, company has taken D&O Insurance for Directors & KMP.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) Mr. Kamlesh C. Gandhi (DIN: 00044852) Chairman and Managing Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible to offers himself for reappointment.

The Board of Directors in its meeting held on May 10, 2023 on the recommendations of the Nomination and Remuneration Committee (NRC), further recommends to the members of the Company for re-appointment of Mr. Kamlesh C. Gandhi (DIN: 00044852), as Director.

Necessary resolution for the appointment of the aforesaid directors and their detailed profiles have been included in the notice convening the 28th AGM and details of the proposal for appointment are mentioned in the explanatory statement of the notice.

Your directors re-commend his appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 & 165 of the Companies Act, 2013. Mr. Ravi Kapoor of M/s. Ravi Kapoor & Associates has issued a certificate as required under the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, confirming that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect has been enclosed with this report.

Ratio of remuneration of each director to the calculation of median employee's remuneration and other prescribed details

Details of managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as per **'Annexure - G'** to this report.

REPORTS ON MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE:

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Management Discussion and Analysis Report and Corporate Governance Report are forming part to this Report annexed as **"Annexure – H"** and **"Annexure – I"**.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company is committed for creating and maintaining a secure work environment where its employees can work in an atmosphere free of harassment, exploitation and intimidation. To foster a positive workplace environment, free from harassment of any nature to empower women and protect them against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion

and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

We have also constituted a Special Complaints Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no incidences of sexual harassment reported.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Audit Committee consists of the following members:

1. Mr. Chetan Shah (Independent Director) – Chairman
2. Mrs. Darshana Pandya (Executive Director) – Member
3. Mr. Bala Bhaskaran (Independent Director) – Member
4. Mr. Umesh Shah (Independent Director) – Member

Ms. Riddhi Bhaveshbhai Bhayani, Company Secretary & Compliance Officer acts as the Secretary to the Audit Committee.

The composition and scope of Audit committee inter alia meets with the requirement of Section 177 of the Companies Act, 2013 and in accordance with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No. of Meetings of Audit Committee held during the year: 4

Sr. No.	Date on which Audit Committee Meetings were held	Total Strength of the Committee	No. of Members Present
1	04.05.2022	4	4
2	03.08.2022	4	3
3	02.11.2022	4	3
4	01.02.2023	4	4

In Compliance with the provisions of Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has established a vigil mechanism and overseas through the Committee, the genuine concerns about unethical behavior expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The board has approved a policy for vigil mechanism which has been hosted on the website of the Company. The web-link for the same is https://www.mas.co.in/policy.aspx.

DISCLOSURES PURSUANT TO RBI MASTER DIRECTION:

The disclosures pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, is annexed herewith as **"Annexure - J"**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

A Business Responsibility and Sustainability Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, is enclosed as part of this report, vide **"Annexure - K"**.

CREDIT RATING:

Sr. No.	Name of the Instrument	Current Rating
1	Long Term Bank Facilities	ACUITE AA-/Stable
2	Commercial Papers	ACUITE A1+
3	Long Term Bank Facilities	CARE A+; Stable
4	Commercial Papers issue	CARE A1+
5	Non Convertible Debentures	CARE A+; Stable
6	Market Linked Debentures	CARE PP-MLD A+; Stable
7	Subordinated Bond	CARE A+; Stable

DISCLOSURE FOR MAINTENANCE OF COST RECORDS:

The provision of Application of Cost Record in Compliance of Companies (Accounts) Rules, 2014 & in respect of section 148(1) of the Companies Act, 2013 is not applicable to the Company.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:

During the year under review, the Company has not made any application before the National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 for recovery of outstanding loans against customer and there is no pending proceeding against the Company under Insolvency and Bankruptcy Code, 2016.

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 DURING THE FINANCIAL YEAR:

It is Not Applicable to the Company, during the financial year.

ACKNOWLEDGEMENT:

The Board of Directors wishes to express their heartfelt gratitude to the Reserve Bank of India and other regulatory authorities for their invaluable guidance and cooperation. Their support has been instrumental in enabling the Company

to operate effectively within the regulatory framework. The Board also extends its sincere appreciation to all individuals who have placed their trust in the Company and its management. It is with deep gratitude that we acknowledge the loyalty and confidence of over one million customers across all the areas where we operate, as they have provided us with the opportunity to serve them.

Collaborating with various NBFC-MFIs, NBFCs, and HFCs has been an inspiring experience, serving as a catalyst for their sustainability and growth. The Company looks forward to fostering even stronger synergies in the future, continuing to build mutually beneficial partnerships.

The entire MAS Team deserves recognition for their unwavering commitment and relentless pursuit of excellence. The core team at MAS plays a pivotal role in formulating and executing strategic decisions, contributing significantly to the Company's development. We take this moment to express our heartfelt appreciation for their continuous support, hard work, and unwavering dedication. Their contributions have been integral to the Company's success.

We trust this journey will continue to be a pleasant one with their support, aware of the fact that we have "Miles to go.... with the confidence that "Together We Can and We Will."

Best Wishes,

For and on behalf of the Board of Directors of
MAS **FINANCIAL SERVICES LIMITED**

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana Pandya
Director & CEO
(DIN: 07610402)

Place : Ahmedabad
Date : 10th May, 2023

Annexure - A

REMUNERATION POLICY

The policy is prepared is in accordance with the provisions of Section 178(3) of the Companies Act, 2013 ('Act') and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration being paid to Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

1. REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Company pays sitting fees of ₹ 50,000/- per Board meeting and ₹ 25,000/- per Committee meeting attended by Non Executive Directors in line with the provisions of Act. Apart from sitting fees, Company is not paying any amount to Non Executive Directors.

2. REMUNERATION OF EXECUTIVE DIRECTOR AND KMP

The payment of managerial remuneration to Executive Directors, Key Managerial Personnel and Senior Management Team will be reviewed and recommended by Nomination and Remuneration Committee which will be approved by Board of Directors and/or shareholders as per applicable provisions of Companies Act, 2013 and Listing Regulations. Further remuneration of Other Employees shall be decided/ recommended and approved by the management/ Executive Directors based on company's HR Policy.

Further following point's needs to be considered while making payment of remuneration to Directors, Key Managerial Personnel and Senior Management:

- The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the structure is clear and meets appropriate performance benchmarks.
- The Remuneration involve a good balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.
- The remuneration will be in correlation of company's HR Policy.
- No directors or Key Managerial Personnel should be directly involved in determining their own remuneration or their performance evaluation.
- The 'fit and proper'status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
- That the compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
- The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
- An Independent Director shall not be entitled to any stock option including long term incentive in the form of RSUs of the Company.

3. CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

Pursuant to provisions of section 178(3) of the Act read with Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualification, positive attributes and independence of a Director and senior management and for appointment of independent director the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

Qualification:

He/ she should be qualified and eligible as per the provisions prescribed under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and should possess appropriate skills, experience, expertise and knowledge.

Criteria for appointing a Director:

- He should be knowledgeable and diligent in updating his knowledge and should possess adequate qualification, skills, experience and expertise by which the Company can benefit and should be person of integrity, with high ethical standards.

- Independent Director, in addition to above should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- In addition to above Executive Directors should possess quality like leadership, vision, ability to steer the organization even in adverse condition, innovative thinking and team mentoring.

In case of Re-appointment following additional criteria shall be considered:

- **Executive Directors:** The committee will evaluate the performance during his/her tenure as Director of the Company as well performance of the Company including all such other factors as required under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws as amended from time to time to be considered for re-appointment of director.

- **Non-executive Directors (including Independent Directors):** The committee will evaluate the performance during his/her tenure as Director in the Company, attendance and participation in the meetings and contribution to the activities of the Board and including all such other factors as per Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other applicable laws as amended from time to time to be considered for re-appointment of director.

Criteria for appointing a Senior Management Employee/ Key Managerial Personnel:

- He should possess adequate educational qualification from recognized institution.

- He should have integrity, hardworking, positive thinking and other skills as required for suitable position.

- Detailed background information will be cross checked from reliable sources.

- Criteria under Company's HR Policy will be followed.

Annexure - B

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2023

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

To,
The Members
MAS **Financial Services Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MAS Financial Services Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have verified the soft copies of records maintained by the Company. Based on our online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MAS Financial Services Limited ("the Company") for the financial year ended on March 31, 2023 and verified the provisions of the following acts, regulations and also their applicability as far as the Company is concerned during the period under Audit:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015

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

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

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021;

   (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Reserve Bank of India Act, 1934

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.

2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. During the year no changes took place in the composition of the Board of Directors and the same is in compliance with the provisions of the Act.

ii) 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.

iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For, **Ravi Kapoor & Associates**

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587E000280590

Place: Ahmedabad
Date: May 10, 2023

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

ANNEXURE A

To,
The Members
MAS **Financial Services Limited**

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

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever 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 procedure 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.

For, **Ravi Kapoor & Associates**

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587E000280590

Place: Ahmedabad
Date: May 10, 2023

Annexure - C

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 transaction under third proviso thereto.

1. **Details of Contracts or Arrangements or Transactions not at Arm's length basis.** MAS Financial Services Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2022-23. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act ("the Act") and corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

Sl No.	Particulars	Details
A	Name(s) of the related party & nature of relationship	N.A.
B	Nature of contracts/arrangements/transaction	N.A.
C	Duration of the contracts/arrangements/transaction	N.A.
D	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
E	Justification for entering into such contracts or arrangements or transactions.	N.A.
F	Date of approval by the Board	N.A.
G	Amount paid as advances, if any	N.A.
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. **Details of material Contracts or Arrangements or Transactions at Arm's length basis for the year ended on March 31, 2023**

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
1.	MAS Rural Housing & Mortgage finance Limited	Rendering of Services (Agreement for Amenities)	One year	MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities-Usage of commercial premises of MFSL, furnitures & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly.	MRHMFL is in requirement of the premises, assets and infrastructure which is available with MFSL. So, to fully utilise the premises, MRHMFL has requested MFSL to provide several amenities, services, facilities-Usage of commercial premises for carrying on business smoothly.	02.11.2022	No such amount was paid as advances.	N.A.
2.	MAS Rural Housing & Mortgage finance Limited	Recovery Agreement	Two years	MFSL agrees to provide service to MRHMFL of collecting outstanding instalments and other dues from its customers and agrees to provide the said service under the terms and conditions as set forth in Agreement with MRHMFL.	MRHMFL being a subsidiary company carrying out business of Housing Finance is in requirement of recovery services for collecting its outstanding dues.	19.05.2021	No such amount was paid as advances.	N.A.

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
3.	MAS Rural Housing & Mortgage finance Limited	Cross Charge Agreement	One year	MFSL agrees to provide several intellectual services to MAS Rural Housing & Mortgage Finance Limited ("MRHMFL") from the Management of the Company to carry out the operations of the MRHMFL and considering time slot allotted to look into the activities of the MRHMFL, the Company to receive as amount as Cross Charge from MRHMFL.	MRHMFL being subsidiary company of MFSL carrying out business of Housing Finance and being managed by the management of the MFSL, in requirement of carrying out its operations requested for entering into cross charge agreement with MFSL.	03.08.2022	No such amount was paid as advances.	N.A.
4.	MAS Rural Housing & Mortgage finance Limited	Servicer Agreement	Until all the amount receivable by assignee are received in full.	MFSL has appointed MRHMFL as a servicer to collect and receive payments in respect of the Receivables and the Assigned Assets, and to provide certain other services.	MFSL is in requirement of a Service Provider who can collect and receive payments in respect of the Receivables on behalf of the Company	03.08.2022	No such amount was paid as advances.	N.A.

For and on behalf of the Board of Directors of
MAS **FINANCIAL SERVICES LIMITED**

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana Pandya
Director & CEO
(DIN: 07610402)

Place : Ahmedabad
Date : May 10, 2023

Annexure - D

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND:

- The Objective of this policy is to provide the Dividend Distribution framework to the stakeholders of the Company.
- The Board of Directors shall recommend Dividend according to the provisions of the Companies Act, 2013 and Rules made thereunder and in accordance with the compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable legal provisions.
- Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend means the profit of a Company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid up on the shares held by them." Dividend can be paid on equity or preference shares both.
- The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.
- The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

2. CLASSES OF SHARES:

The Company has issued only one class of shares i.e. Equity Shares. Parameters for Dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable provisions of the Act, rules and regulations and will be determined, as and when the Company decides to issue other classes of shares.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDER'S OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND:

The circumstance that may generally be considered by the Board before making any recommendations for the Dividend includes:

- Cost of raising funds from alternative sources.
- Whenever the Company has incurred losses or there is inadequacy of profits.
- Whenever the Company undertakes any acquisitions or enters into joint ventures requiring significant allocation of capital.
- Future capital expenditure plans
- Profits earned during the financial year
- Cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.
- Any of the below referred internal or external factors, including any regulatory restriction, if any, restraining the Company from considering dividend;

4. FINANCIAL PARAMETERS:

Dividend shall be declared or paid only out of profits computed as per the applicable provisions of the act and rules made thereunder and other applicable laws.

5. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND:

- Distributable surplus available as per the Act, Rules and Regulations;
- The Company's liquidity position and future cash flow needs;
- Trend of dividends paid in the past years by the Company;
- Payout ratios of comparable companies;
- Industry outlook and stage of business cycle for underlying businesses
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Loan repayment and working capital requirements;
- Financial commitments with respect to the outstanding borrowings and interest thereon.
- Other Corporate Action options (For ex. Bonus issue, Buy back of shares).
- Cost and availability of alternative sources of financing;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Any windfall, extra-ordinary or abnormal gains made by the Company;
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

6. UTILIZATION OF RETAINED EARNINGS:

Retained earnings will be used for the Company's growth plans, expected capital adequacy/liquidity requirements, debt repayments and other contingencies.

7. REVIEW:

The Board is authorized to review/amend this policy from time to time at its sole discretion and/or subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time.

8. DISCLOSURES:

The Dividend Distribution Policy (as amended from time to time) will be available on the website of the Company (www.mas.co.in) and web-link shall also be provided in the Company's Annual Report of the Company as required by the Regulations in force from time to time.

9. REPORTS:

The Company shall prepare a report that is to be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank. The format of the Report shall be the format prescribed hereunder.

Details of dividend declared during the financial year

Name of the NBFC – _____

Accounting period*	Net profit for the accounting period (₹ crore)	Rate of dividend (per cent)	Amount of dividend (₹ crore)	Dividend Payout ratio (per cent)

* quarter or half year or year ended ----- as the case may be

Annexure - E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

   Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

   MAS Financial Services Limited has always, been actively involved in various Corporate Social Responsibility (CSR) activities. We are committed to making a difference by placing priority on giving back to our community and believe that businesses can only be successful when they are engaged in making the world a better place.

   During the year, the Company has undertaken various initiatives in the areas of Education and Community Welfare.

2. **Composition of CSR Committee:**

   The Company's CSR Committee consists of one Executive Director and two Independent Directors of the Company, and is chaired by an Independent Director. The composition of the Committee is set out below:

Sl No.	Name of the Directors	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	Mr. Umesh Shah	Independent Director	Chairman	2	2
2	Mrs. Darshana Pandya	Director & CEO	Member	2	2
3	Prof. Bala Bhaskaran	Independent Director	Member	2	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:**

   The Composition of CSR committee, Company's CSR policy and CSR projects are available on website of the Company

   Composition of CSR Committee : https://mas.co.in/ConstitutionofCSRCommittee.aspx

   Company's CSR Policy : https://mas.co.in/policy.aspx

   CSR Projects' : https://mas.co.in/CSRProjects.aspx

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

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:** Not Applicable

6. **Average Net Profit of the Company as per Section 135(5):** ₹ 2,13,01,27,565/-

7. **(a) Two percent of average net profit of the Company as per section 135(5):** ₹ 4,26,02,551/-

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

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

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 4,26,02,551/-

8. (a) **Details of CSR amount spent or unspent for the financial year:**

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 (in ₹)	Date of Transfer	Name of Fund	Amount (in ₹)	Date of Transfer
27,84,054	3,98,18,497	April 24, 2023	-	-	-

(b) **Details of CSR amount spent against Ongoing Projects for the financial year:**

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	Education	Yes	Gujarat	Rural locations of Gujarat	3 Years	Approx. 3,34,98,463.20	15,64,722.00	3,19,33,741.20	Yes		NA
2.	"AROGYA ABHIYAN" - MEDICAL FACILITY TO NEEDY PEOPLE	Health	Yes	Gujarat	Ahmedabad	1-3 Years	Approx. 83,74,615.8	8,32,100.00	75,42,515.80	Yes		NA
3.	GRAIN DISTRIBUTION	Food Distribution	Yes	Gujarat	Ahmedabad	1-3 Years	Approx. 5,00,000.00	1,44,960.00	3,55,040.00	Yes		NA
TOTAL							Approx. 4,26,02,551.00	27,84,054.00				

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

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	75th Independence Day Celebration – Azadi Ka Amrit Mahotsav	Benefit of armed forces veterans, war widows and their dependents	Yes	Gujarat	Ahmedabad	2,29,472	Yes	Not Applicable	
	TOTAL					2,29,472			

(d) **Amount spent in Administrative Overheads :** ₹ 12,800/-

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹ 27,84,054.00/-

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

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent 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.	2022-23	3,98,18,497.00	27,84,054.00	-	-	-	3,98,18,497.00
2.	2021-22	3,98,86,563.00	46,81,438.00	-	-	-	3,52,05,125.00
3.	2020-21	3,84,21,095.00	1,09,69,875.00	-	-	-	1,81,84,115.00
	TOTAL	**11,81,26,155.00**	**1,84,35,367.00**	**-**	**-**	**-**	**9,32,07,737.00**

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

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹ Crores)	Amount spent on the project in the reporting Financial Year (in ₹ Crores)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Crores)	Status of the project - Completed / Ongoing
1	FY31.03.2022_1	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	2021-22	3 Years	Approx. 2.44	0.44	0.61	Ongoing
2	FY31.03.2022_1	"AROGYA ABHIYAN" - MEDICAL FACILITY TO NEEDY PEOPLE	2021-22	1-3 Years	Approx. 1.5	0.03	0.23	Ongoing
3	FY31.03.2022_1	"KHEL PROTSAHAN ABHIYAN"	2021-22	1-3 Years	Approx. 0.48	0.00	0.00	Ongoing
4	FY31.03.2021_1	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	2020-21	3 Years	Approx. 2.30	0.50	1.43	Ongoing
5	FY31.03.2021_2	MENSTRUAL HYGIENE PROGRAMME (PROMOTING SANITATION IN RURAL AREAS)	2020-21	3 Years	Approx. 0.05	0.01	0.02	Ongoing
6	FY31.03.2021_3	AROGYA ABHIYAN - MEDICAL FACILITY TO NEEDY PEOPLE	2020-21	3 Years	Approx. 1.50	0.59	1.03	Ongoing

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

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

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

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

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

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):

Citing the ongoing project of the company, we would like to emphasize that our company is deeply committed to utilizing funds efficiently and ensuring they reach the last mile of impact. While there may have been unspent funds for CSR, we have a clear strategy in place to address this.

The unspent funds will be allocated to long-term multiyear projects, primarily focusing on education, constructing sheds and providing basic hygiene facilities in remote rural areas. Additionally, we have identified various projects aimed at promoting education, sanitation, health, and overall welfare to enhance the quality of life for all. Our CSR initiatives are rooted in the well-being and betterment of lives.

As per our CSR policy and project alignment, funds have been earmarked accordingly. We have a long-standing history of implementing social initiatives and positively impacting communities across the state. Our goal is to increase our CSR

impact and expenditure in the upcoming years, while concurrently prioritizing sustainable development and responsible infrastructure.

We assure you that all efforts will be made to cover the shortfall in CSR spending in the coming years. We are dedicated to expanding our CSR initiatives, particularly in rural development, health promotion, and sanitation. Our aim is to reach as many deserving students as possible, ensuring the benefits directly impact those in need. While the process may require additional time, we remain committed to fulfilling the entire required CSR expenditure as per the provisions of the Companies Act, 2013.

Mr. Umesh Shah
Independent Director
Chairman of CSR Committee
(DIN: 07685672)

Mrs. Darshana Pandya
Director & CEO
Member of CSR Committee
(DIN: 07610402)

Date : May 10, 2023
Place : Ahmedabad

Annexure - F

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED	MASFIN INSURANCE BROKING PRIVATE LIMITED
2.	The date since when subsidiary was acquired	10/10/2007	05/08/2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Financial Year 2022-2023 (01.04.2022 to 31.03.2023)	
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	
5.	Share capital	Authorised: ₹ 45,00,00,000/- Paid up : ₹ 41,22,64,040/-	Authorised: ₹ 50,00,000/- Paid up : ₹ 50,00,000/-
6.	Other Equity	₹ 43,89,96,399/-	--
7.	Total assets	₹ 3,83,44,25,492/-	₹48,53,949/-
8.	Total Liabilities	₹ 2,98,31,65,053/-	₹48,53,949/-
9.	Investments	₹ 11,62,50,709/-	Nil
10.	Turnover	₹ 43,75,39,642/-	Nil
11.	Profit before taxation	₹ 8,09,28,734/-	- 1,47,051/-
12.	Provision for taxation	₹ 1,74,82,505/-	Nil
13.	Profit after taxation	₹ 6,34,46,229 /-	- 1,47,051/-
14.	Proposed Dividend	₹ 1,30,18,867.39/-	Nil
15.	% of shareholding	59.67%	69.00%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – MASFIN INSURANCE BROKING PRIVATE LIMITED
2. Names of subsidiaries which have been liquidated or sold during the year – NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1.	Name of associates/Joint Ventures	N.A.
2.	Latest audited Balance Sheet Date	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end Number Amount of Investment in Associates/Joint Venture Extend of Holding%	N.A.
4.	Description of how there is significant influence	N.A.
5.	Reason why the associate/joint venture is not consolidated	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
7.	Profit/Loss for the year	
	(i) Considered in Consolidation	N.A.
	(ii) Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana Pandya
Director & CEO
(DIN: 07610402)

Riddhi B. Bhayani
Company Secretary & Compliance Officer
Membership No.: A41206

Date: May 10, 2023
Place: Ahmedabad

Annexure - G

Particulars of Employees (pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended)

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under:

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. **The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2022-23:**

Sl No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	146.83 : 1
2.	Mrs. Darshana Pandya	Director and Chief Executive Officer	Remuneration	19.24 : 1
3.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	0.94 : 1
4.	Mr. Chetan Shah	Independent Director	Sitting Fees	0.74 : 1
5.	Mr. Umesh Shah	Independent Director	Sitting Fees	0.65 : 1
6.	Mrs. Daksha Shah	Woman Independent Director	Sitting Fees	0.35 : 1

2. **The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23:**

Sl No.	Name	Designation	Nature of Payment	Percentage Increase / decrease over previous year
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	36.91%
2.	Mrs. Darshana Pandya	Director and Chief Executive Officer	Remuneration	51.02%
3.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	Nil #
4.	Mr. Chetan Shah	Independent Director	Sitting Fees	Nil #
5.	Mr. Umesh Shah	Independent Director	Sitting Fees	Nil #
6.	Mrs. Daksha Shah	Woman Independent Director	Sitting Fees	Nil #
7.	Ms. Riddhi Bhayani	Company Secretary and Compliance Officer	Remuneration	42.69%
8.	Mr. Ankit Jain	Chief Financial Officer	Remuneration	18.76%

Independent Directors are paid fixed sitting fees for every meeting attended, amount of the same is not changed during the year.

3. **The percentage increase in the median remuneration of employees in the financial year:** The median remuneration of employees was increased by 16.86% over previous year.

4. **The number of permanent employees on the roll of the Company:** 1154 Employees

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** The Average salaries of the employees of the Company increased by 18.34% while the Managerial remuneration increased by 37.15% in the current year. Annual increments, if any, are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and as per the Policy of the Company.

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) The Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

List of top ten employees in terms of remuneration drawn as on March 31, 2023:

Sr. No.	Name of Employee	Designation	Remuneration (₹ in lakh)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment	Number of equity shares of the Company held by employee	Relative of any Directors
1	Mr. Saumil Dipakbhai Pandya	President & Head Retail Assets	65.46	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/08/1996	51	--	14,251 shares (0.0261%)	Husband of Mrs. Darshana Pandya
2	Mr. Ankit T. Jain	Chief Financial Officer	36.87	On roll	M.B.A. Finance Has more than 1 decade of experience	01/04/2010	36	--	25 shares (Negligible Holding)	--
3	Mr. Dipak M. Dangar	COO - Retail Asset Channel	36.87	On roll	B.E. Chemical & MBA Finance Has more than 1 decade of experience	26/05/2008	40	--	4 shares (Negligible Holding)	--
4	Mr. Nishant Jain	Chief Risk Officer	35.68	On roll	Chartered Accountant Has more than 10 years of experience	03/05/2018	35	Jain Sons Finlease Limited	-	--
5	Mr. Sunil Shah	Head Portfolio	35.11	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/07/1998	53	--	488 shares (0.0009%)	--
6	Mr. Gaurang Arvindbhai Kasudia	Head - MIS	33.31	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/08/1996	47	--	338 shares (0.0006%)	--
7	Mr. Bhavesh D. Patel	Head - Accounts	32.09	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/04/2004	42	Nishu Accounts Consultancy	338 shares (0.0006%)	--
8	Mr. Dhvanil K. Gandhi	BDM	29.68	On roll	Bachelors in Business Administration Has more than a decade of experience	20/07/2011	30	--	34619 shares (0.0633%)	Son of Mr. Kamlesh Gandhi
9	Mr. Ravi Mukeshbhai Shah	Credit Incharge	27.13	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/12/1999	45	--	188 shares (0.0003%)	--
10	Mr. Lokesh M. Bhatt	Associate Vice President	25.40	On roll	B.Sc.	11/04/2013	49	Pace Agro Private Limited	--	--

Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

For MAS **FINANCIAL SERVICES LIMITED**

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Place : Ahmedabad
Date : May 10, 2023

Annexure - H

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

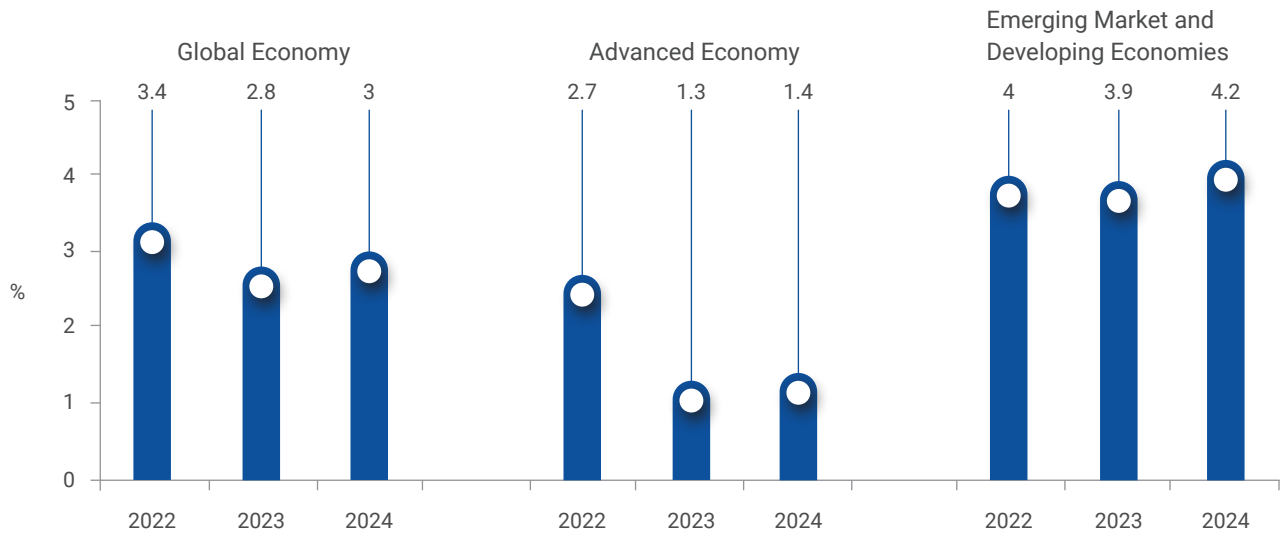
Global Economy

Titled 'A Rocky Recovery', the IMF's World Economic Outlook – April 2023 reported that on the surface, the global economy appears poised for a gradual recovery from the devastation caused by the pandemic and, later, the conflict between Russia and Ukraine. The reopening of the Chinese economy has also contributed to the rebound and supply-chain disruptions have been unwinding, while the dislocations to energy and food markets caused by the war are receding. However, it also observed that below the surface turbulence is building, and the situation is quite fragile, as evidenced by the recent bout of banking instability.

At the same time, the report pointed out that the large scale and synchronised tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

The IMF forecast that global growth will bottom out at 2.8% in 2023 before rising modestly to 3.0% in 2024. It also expects global inflation to decrease, although more slowly than initially anticipated, from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024.

Growth Projections (%)

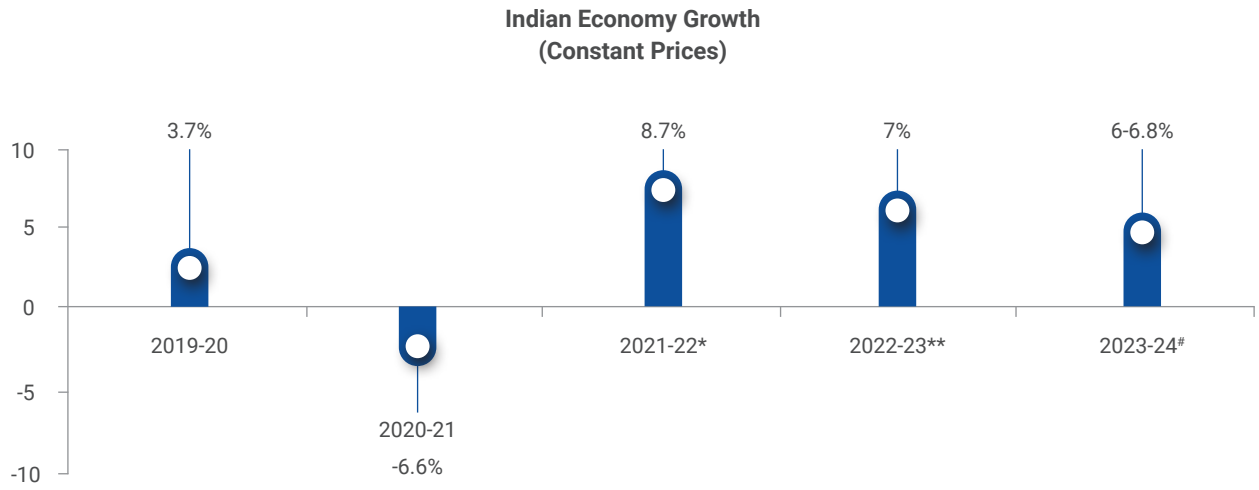


The growth is expected to come from emerging market and developing economies, which are already powering ahead with growth rates that are nearer 4%. The advanced economies, especially the Euro area and the United Kingdom, are creating the drag with growth expected to fall to 0.7% and –0.4%, respectively, in 2023 before rebounding to 1.8% and 2.0% in the two regions in 2024.

The IMF cautioned that policymakers across the globe have a narrow path to walk to improve prospects and minimise risks. It suggested that fiscal policymakers should buttress monetary and financial policymakers' actions in getting inflation back to target while maintaining financial stability. Overall, it advised that governments should aim for a tight stance while providing targeted support to those struggling most with the cost-of-living crisis.

Indian Economy

Despite the distressed global economic landscape, the Indian economy is expected to grow at a robust 7% (in real terms) during the year ending March 2023, after posting a growth of 8.7% in FY 2021-22 according to the Economic Survey – 2023.



*Provisional Estimates; ** 1st Advance Estimates; #Projected; Source: Economic Survey Summary – 31st Jan 2023

Some of the growth drivers were the credit growth to the MSME sector, which was remarkably high, at over 30.5% on average, during Jan-Nov 2022. The capex of the central government, which increased by 63.4% in the first eight months of FY 2022-23, was another growth driver of the Indian economy. The optimistic growth forecasts also stem from a number of positives like the rebound of private consumption, which led to a boost in production activity.

Another factor that contributed to growth was the near-universal vaccination coverage, which enabled people to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas. Private consumption as a percentage of GDP stood at 58.4% in Q2 of FY 2022-23, the highest among the second quarters of all the years since FY 2013-14, supported by a rebound in contact-intensive services.

The return of migrant workers to cities, to work in construction sites, led to a significant decline in housing market inventory. This was also supported by a strengthening of the balance sheets of corporates and the robust capitalisation of public sector banks, which were ready to increase their credit supply.

While several advanced economies struggling with banking sector turmoil, bank failures, and contagion risks, the Indian banking and non-banking financial service sectors remained healthy, and financial markets evolved in an orderly manner, according to the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI).

Outlook

The Indian economy is expected to witness GDP growth of 6.0% to 6.8% in FY 2023-24, depending on the trajectory of economic and political developments globally, according to the Economic Survey 2023. The survey also projects a baseline GDP growth of 6.5% in real terms in FY 2023-24. The RBI projects headline inflation at 6.8% in FY 2022-23, which is outside its target range. A surge in the growth of exports in FY 2021-22 and the first half of FY 2022-23 resulted in acceleration in production.

Looking ahead, the RBI MPC expects that higher rabi production will improve the prospects for the agriculture sector and rural demand, while steady growth in contact-intensive services is likely to drive urban demand. If these impulses play out, the consumption story will continue to power growth. Moderating commodity prices are also providing tailwinds.

Manufacturing and investment activity are expected to provide a strong thrust to growth, with the government's focus on capital expenditure and capacity utilisation reaching above its long-period average. The only concern is that despite the positive outlook, the global headwinds could impact the Indian economy through a drag from net external demand.

To monitor these positive and negative risks, the RBI assured that it will continue to balance financial conditions in line with the productive requirements of the economy, even as monetary policy moves decisively to withdraw accommodation. The MPC predicts real GDP growth of 6.5% for 2023-24, with the overall outlook remaining dynamic and fast-evolving.

INDUSTRY OVERVIEW

Financial Services Industry

The Indian financial services industry is a dynamic and evolving sector, poised for further growth and innovation. It is a vital component of the country's economy, providing a range of financial products and services to individuals and businesses alike. The sector has seen significant growth in recent years, expanding into segments that were previously underserved or overlooked in a bid to promote financial inclusion. The industry is diverse, with a mix of traditional players such as commercial banks, insurance companies, and NBFCs, along with newer entities such as payment banks and small finance banks. The sector is well-regulated by the RBI, which has also allowed fintech companies to enter the fray, bringing innovation and efficiency to the industry. The adoption of digital technology has been a game-changer, enabling organisations to enhance customer engagement and deliver services with speed and transparency.

According to IBEF, rising incomes in India are driving the demand for financial services across income brackets. Further, there are over 2,100 fintechs operating currently, positioning India to become one of the largest digital markets, aided by the rapid expansion of mobile and internet.

NBFCs in India

The Non-Banking Financial Companies (NBFCs) sector plays a significant role in the Indian economy, providing credit to individuals, small and medium-sized enterprises, and rural areas, among others. NBFCs have emerged as a key segment in the financial sector, bridging the gap between banks and borrowers who are underserved or excluded from traditional banking services. In recent years, the sector has witnessed significant growth, fuelled by a rise in demand for credit and the emergence of new players. The sector's resilience and ability to innovate have been tested during times of economic turmoil, such as the COVID-19 pandemic.

As the economy has moved past the impact of the pandemic, the NBFCs sector is anticipated to experience a substantial growth in both FY2023 and FY2024, following the rebound of the economy. ICRA Ratings predicts that during these fiscal years, the sector will witness a loan growth of 10-12% and a rise in profitability by 50 basis points. The PCA framework implemented by RBI has created a level playing field for NBFCs with banks, thus enhancing corporate governance and leading to sustainable growth in the sector.

Retail-focussed NBFCs are expected to grow by 12-14%, whereas housing finance companies are expected to grow at 10-12%, primarily due to an improvement in asset quality and an increase in overall credit demand. Microfinance and personal loans are likely to continue growing at a high pace and lead the growth chart.

The report reveals that the NBFC sector has witnessed an improvement in asset quality, with higher collections and a lower-than-anticipated share of restructured portfolio. ICRA envisages that the majority of stress from the restructured book is likely to be absorbed in FY 2022-23 and slippages are expected to remain range-bound.

The rising interest rates may put some pressure on net interest margins, but this impact has been offset by the limited rate hikes passed on to borrowers. With stable margins and moderation in credit cost, NBFCs are expected to report a return of 2.6-2.9% on managed assets in FY2023.

MSME Sector

Micro, Small and Medium Enterprises (MSMEs) are a crucial contributor to the Indian economy, accounting for around 30% of the country's GDP, 48% of its exports, 95% of industrial units, and 40% of employment in India. There are approximately 633.9 lakh MSME units in the country. Despite facing unprecedented challenges due to the pandemic, the MSMEs in India have evolved, grown, and emerged stronger. Forward-looking businesses in the segment have adopted new technologies, digitisation, and branding via online channels, breaking out of traditional ways of doing business.

A recent survey titled 'MSME Digital Readiness Survey 2022' by PayPal revealed that 52% of small businesses saw a favourable influence of digitalisation on their business once economies reopened after two years of the pandemic. To enable smaller companies to raise capital through the stock markets, both the BSE and the NSE have established separate trading platforms called SME exchanges. The founder of MSME, a micro-advisory platform, expects over 10,000 companies to list on the SME Exchange in the next five to ten years. Moreover, the Union Budget 2023 has announced several proposals to promote inclusive development and faster growth in the entrepreneurship ecosystem of the nation.

Key proposals for the MSME sector include budget allocation of around ₹ 22,140 crore, tax incentives, subsidies, ₹ 10,000 crore fund for technology and infrastructure development, a national-level mentorship programme, easier access to credit, and reforms to reduce the credit cost. Furthermore, the budget has established funds for promoting entrepreneurship and enterprise development in traditional sectors like agriculture and handicrafts along with skill building, creating a more enabling environment for MSMEs.

Housing Finance

The housing finance market in India is evolving, with various players offering finance for homebuyers. However, HFCs continue to dominate the market, and government initiatives and incentives for affordable housing could further increase the demand for housing finance.

Over the years, the government has initiated various reforms that have led to a rise in incomes and standards of living across the country. This, and other trends, such as a budding preference for nuclear families, job mobility, etc., have resulted in an increase in housing, over and above the existing demand-supply gap. Banks and housing finance companies (HFCs) are the two financial players that predominantly cater to the financing needs of the Indian housing market. While public and private sector banks, along with foreign banks, provide loans to prospective home buyers, the home mortgage finance market in India is largely dominated by HFCs.

The demand for housing is not limited to urban areas, and there is a need for affordable housing in rural regions as well. To address this demand-supply mismatch, there may be special incentives for customers and builders in this segment. Government initiatives such as 'Housing for All' have also created demand for housing finance, especially in the low-income segment.

According to ANAROCK data, 2022 witnessed record high housing sales and new launches across the top 7 cities in India. The Union Budget - 2023 has further increased the

outlay for PM Awas Yojana by 66% to ₹ 79,000 crore. This increase in allocation could trigger acceleration in the demand for housing loans, especially in the lower-income segment.

Automobiles

India's strong engineering talent base and low-cost manufacturing expertise has made the country an attractive global manufacturing and export hub. According to the Society of Indian Automobile Manufacturers (SIAM), a leading automobile industry body, the automobile sector produced a total of 2.59 crore vehicles, including Passenger Vehicles, Commercial Vehicles, Three-Wheelers, Two-Wheelers, and Quadricycles in April 2022 to March 2023, as against 2.3 crore units in April 2021 to March 2022.

In India, two segments dominate the domestic auto market in India - Two-wheelers and passenger vehicles. Total Passenger Vehicle Sales increased from 30.69 lakh to 38.9 lakh units with the sales of Passenger Cars also increasing from 14.67 lakh to 17.47 lakh, Utility Vehicles from 14.89 lakh to 20.03 lakh and Vans from 1.13 lakh to 1.39 lakh units, in FY 2022-23, compared to the previous year.

Automobile Domestic Sales Trends

(in numbers)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	32,88,581	33,77,389	27,73,519	27,11,457	30,69,499	38,90,114
Commercial Vehicles	8,56,916	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468
Three-Wheelers	6,35,698	7,01,005	6,37,065	2,19,446	2,60,995	4,88,768
Two-Wheelers	2,02,00,117	2,11,79,847	1,74,16,432	1,51,20,783	1,34,66,412	1,58,62,087
Quadricycles	0	627	942	-12	124	725
Grand Total	**2,49,81,312**	**2,62,66,179**	**2,15,45,551**	**1,86,20,233**	**1,75,13,596**	**2,12,04,162**

Source: SIAM

According to a report by Technova, amidst the global energy crisis and continued supply-chain disruptions, the automotive industry players are exploring options to reintroduce the sector. By implementing cloud computing and electric vehicles technology, the industry is entering fast into a revolutionised age with the primary aim of offering the consumer a value-added experience.

Automobile Export Trends

(in numbers)

Category	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	7,48,366	6,76,192	6,62,118	4,04,397	5,77,875	6,62,891
Commercial Vehicles	96,865	99,933	60,379	50,334	92,297	78,645
Three-Wheelers	3,81,002	5,67,683	5,01,651	3,93,001	4,99,730	3,65,549
Two-Wheelers	28,15,003	32,80,841	35,19,405	32,82,786	44,43,018	36,52,122
Quadricycles	1,605	4,400	5,185	3,529	4,326	2,280
Grand Total	**40,42,841**	**46,29,049**	**47,48,738**	**41,34,047**	**56,17,246**	**47,61,487**

According to IBEF, India is a major exporter of automobiles worldwide, exporting 24% of total vehicles produced as of FY2022. Indian automobile exports comprise two-wheelers, three-wheelers, commercial vehicles, and passenger cars. Various initiatives from the government for instance, Make in India, strong connectivity, availability of infrastructure and relations with key trade partners have contributed to an increase in exports over the years. Strong demand for vehicles owing to the recovery of the economy and alleviation of supply chain-related issues helped increase exports.

COMPANY OVERVIEW

MAS Financial Services Limited was founded in 1995 and is a registered Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India (RBI). The Company operates out of Ahmedabad and specialises in providing retail financing services to the lower and middle-income groups of society. Over the past two and a half decades, MAS has been dedicated to serving the financially underserved masses across urban, semi-urban, and rural areas, both in the formal and informal sectors of the economy.

MAS offers a diverse range of retail finance products to cater to the varied needs of its customers. These include Micro Enterprise Loans, SME Loans, Two-Wheeler Loans, Commercial Vehicle Loans, Salaried Personal Loans, and Home Loans. The Company's operations are built on the foundation of a highly experienced management team, a huge borrower base, a diverse product mix, efficient liability management, and a well-spread branch network.

Distribution Network

The Company has established a strong distribution network to provide its customers with top-quality services at their convenience. Its operations span across 149 branches, strategically located in Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Karnataka, and Delhi NCR. This widespread network enables the Company to serve the underserved and capture a significant share of the untapped demand in the hinterlands by providing last-mile delivery of credit.

The Company's in-depth market knowledge has helped it establish strong and time-tested connections with MFIs, HFCs, and other NBFCs that offer similar products. By forging robust value chains, MAS has been able to extend its financial services to the underpenetrated regions and the Bottom of the Pyramid (BOP) segment. Its mission is to penetrate the informal financial sector and promote inclusivity by leveraging its distribution network and channel partners.

As of March 31, 2023, MAS had catered to over 7,58,000+ active loan accounts across more than 9,250+ customer locations through its robust branch network.

Partnerships with Various NBFCs

MAS has adopted a strategic partnership model to ensure mutual success for all stakeholders – the Company, its partners, and customers. In this model, MAS collaborates with various NBFCs, offering its domain expertise and lines of credit, while partners undertake last-mile credit delivery more effectively. This approach helps build stronger networks and fosters customer trust. Additionally, leveraging the operational efficiency and customer relationships of its partners in relatively remote areas of India allows MAS to improve its customer base without excessive investments in physical infrastructure.

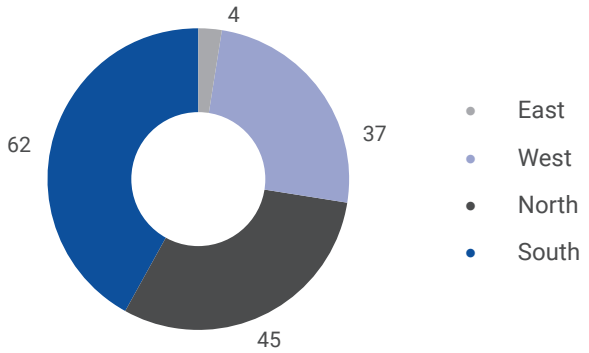
The model aims to help target clients approach the informal financial sector to meet their financing needs. Furthermore, MAS has established commercial arrangements with various sourcing partners, providing a guarantee for a part of a loan default. These revenue-sharing arrangements offer a relatively stable revenue source for the sourcing partners, making them attractive.

As of March 31, 2023, MAS had 268 sourcing intermediates for its Commercial Vehicle Loans and 242 for its Two-Wheeler Loans.

The Company's business expansion can be attributed to its strong and innovative partnership with NBFCs and NBFC-MFIs, which has resulted in the development of a unique and robust distribution network. This has not only strengthened the Company's pan-India presence but also mitigated the risk of overdependence on any one partner. Furthermore, this partnership model helps to control operating expenses and maintain credit quality, as the NBFC partner is responsible for both sourcing the end-customer and managing the risk of default.

As of March 31, 2023, the Company had 148 strategic partner NBFCs. Out of the 148 partners in FY 2022-23, around 47.97% fall within the AUM range of ₹ 50 – ₹ 500 crore allowing the Company to reach a larger customer base in remote geographies and considerably reducing the turnaround time for extending credit to customers. Moreover, majority of its partners maintained a healthy Capital Adequacy Ratio (CAR) of more than 20%, which is well above the threshold limit.

Regionwise NBFCs and NBFC-MFI Partners - FY 2022-23



BUSINESS PERFORMANCE

MAS offers a diverse range of financial products and services and is in a strong position to meet the financial needs of customers in the low and middle-income segments.

Performance of various Product Offerings

MSME Loans

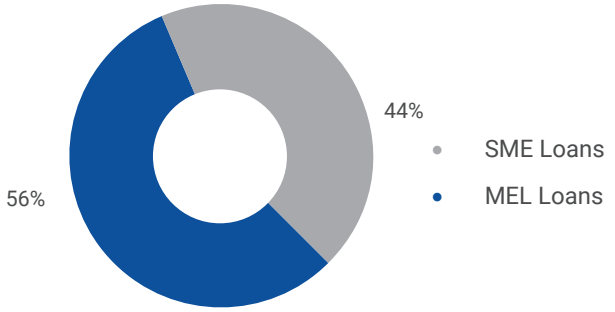
Micro-Enterprise Loan (MEL)

MAS offers loans to small enterprises spread across 190 business categories, including retailers, traders, small manufacturers, and service providers. The ticket size of these loans ranges from ₹ 0.5 lakh to ₹ 10 lakhs.

Small & Medium Enterprises (SME) Loan

The Company offers loans to SMEs engaged in manufacturing, trading, or services, for the purchase of fixed assets, like machinery or industrial property, and for their working capital requirements such as purchase of stock, replacing trade credit, etc. The ticket size of these loans ranges from ₹ 10 lakhs to ₹ 3 crore.

In FY 2022-23, MAS provided loans amounting to ₹ 4,766.39 crore as MEL loans and ₹ 3,117.80 crore as SME loans. The AUM for MEL loans stood at ₹ 3,874.16 crore and SME loans stood at ₹ 2,986.66 crore as on March 31, 2023 as compared to ₹ 3,249.38 crore and ₹ 2,274.80 crore respectively as on March 31, 2022.



Two-Wheeler and Commercial Vehicle Loans

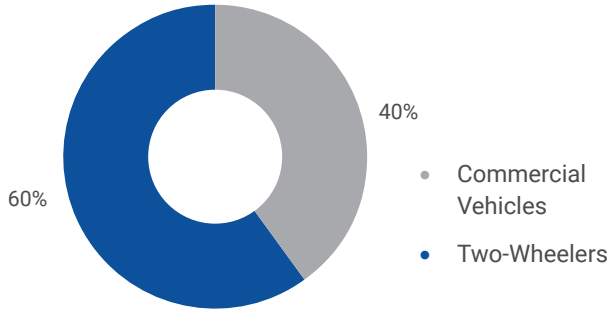
Two-Wheeler Loans

MAS offers two-wheeler loans to farmers, self-employed, businessmen, professionals, and salaried customers in urban, semi-urban, and rural areas. The ticket size of these loans ranges from ₹ 25,000 to ₹ 1.50 lakhs.

Commercial Vehicle Loans

The Company provides for the purchase of commercial vehicles. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 1 lakh to ₹ 15 lakhs.

MAS also assists individuals and businesses in buying bikes for personal use or to expand their transport/distribution business. In FY 2022-23, MAS provided loans amounting to ₹ 912.69 crore.



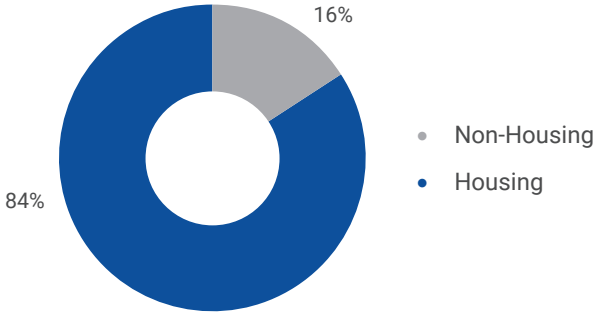
AUM for Commercial Vehicles and Two-Wheeler Loans stood at ₹ 926.84 crore as on March 31, 2023 in comparison to ₹ 722.62 crore as on March 31, 2022.

Salaried Personal Loans

MAS entered a new product segment of Salaried Personal Loans during Q2 of FY 2022-23. It provides loans of up to ₹ 5 lakhs to the salaried individuals of the approved companies to satisfy their needs. In FY 2022-23, MAS provided loans amounting to ₹ 331.97 crore as Salaried Person Loans. AUM for Salaried Personal Loans stood at ₹ 304.90 crore as on March 31, 2023.

Housing Loans

MAS Rural Housing & Mortgage Finance Ltd. (MRHMFL) is a subsidiary of MAS. It was set up as a Housing Finance Company (HFC) in 2008, to provide affordable housing loans to customers in the low and middle-income group, especially in semi-urban and rural areas. MRHMFL offers housing loans to customers for the purchase, construction, or renovation of their homes. It also extends loans to developers for the construction of affordable housing projects. In FY 2022-23, MRHMFL provided housing loans amounting to ₹ 175.14 crore.



As on March 31, 2023, the AUM for MRHMFL's business stood at ₹ 413.34 crore as compared to ₹ 314.15 crore as on March 31, 2022.

(Amount in ₹ Crore)

Particulars	Standalone		Consolidated	
	Year Ended on March 31, 2023	Year Ended on March 31, 2022 (Restated)	Year Ended on March 31, 2023	Year Ended on March 31, 2022 (Restated)
Revenue from Operations	946.09	655.57	987.83	690.24
Other Income	3.00	1.51	2.43	0.93
Total Income	**949.09**	**657.08**	**990.26**	**691.17**
Total Expenditure	**684.39**	**445.78**	**718.61**	**474.62**
Profit Before Tax	264.70	211.30	271.65	216.55
Provision for Taxation (Including Current Tax, Deferred Tax & Income Tax of earlier Years)	63.74	53.75	65.83	55.35
Net Profit	**200.96**	**157.55**	**205.82**	**161.20**
Profit Brought Forward	533.21	422.28	537.08	425.33
Net Profit after profit attributable to minority shareholders	-	-	(2.56)	(1.97)
Item of other comprehensive income recognised directly in retained earnings - on defined benefit plan	0.04	(0.08)	0.05	(0.07)
Profit Available for Appropriation	**734.21**	**579.75**	**740.39**	**584.49**
APPROPRIATIONS:				
Transfer to reserve u/s 45-IC of RBI Act, 1934	(40.19)	(31.51)	(40.19)	(31.51)
Transfer to reserve u/s 29-C of NHB Act, 1987	-	-	(1.16)	(0.87)
Final Dividend on Equity Shares	(9.57)	(8.20)	(9.57)	(8.20)
Interim Dividend on Equity Shares	(9.84)	(6.83)	(9.84)	(6.83)
Dividend distribution tax on Equity Shares	-	-	-	-
Surplus Balance carried to Balance Sheet	**674.61**	**533.21**	**679.63**	**537.08**

Note: Till the quarter ended 31st December, 2022, the Company opted a prudent practice of amortising the income over the tenure of loans assigned instead of booking it upfront. This practice in management's view ensures true and fair

financial position of the Company. The same is a deviation from the Ind AS 109 'Financial Instruments'. However, during the quarter ended March 31, 2023, the Company has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. Please refer note 32 of the standalone financial statements for detailed explanation on changes in accounting policy.

Details of significant changes in Key Financial Ratios

During FY 2022-23, Operating Expense Ratio (OE Ratio) witnessed a change exceeding 25% or more as compared to the immediately previous financial year. For FY 2022-23 on a standalone basis, the Company's Operating Expense Ratio was 2.18% as compared to 1.59% for FY 2021-22. The cognizable change in the Operating Ratio on a comparable basis can be contributed to the expenses incurred on strengthening and expansion of branches, centers, employees, and partnerships including Fintech.

Details of changes in Ratios

On a standalone basis, during FY 2022-23, the Net Interest Margin (%) stood at 6.92% as compared to 6.53% in FY 2021-22. The Debt Equity Ratio was 3.92 times as compared to 3.39 times for FY 2021-22. The Interest Coverage Ratio was 1.56 times in FY 2022-23 as compared to 1.66 times for FY 2021-22. The Company's return on net worth improved to 15.25% as compared to 13.64% for FY 2021-22 due to operational efficiency and increase in profitability.

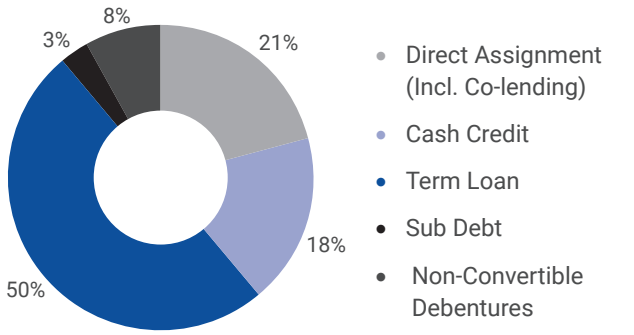
LIABILITY MANAGEMENT

MAS considers liability management as a critical function. Prudent liability management has enabled the Company to tide over challenges within the industry, as well as raise adequate liability as per regulatory requirements.

Over the years, the Company has established strong bonds and long-standing relationship with leading banks and various financial institutions. It intends to leverage its strong reputation, fund management experience and expertise to deliver benefits for its clients and value for its stakeholders. The Company continued to efficiently manage its Asset Liability Management (ALM) with a strategy of a judicious mix of borrowings between term loans, debentures, direct assignment, and cash credit.

As on March 31, 2023, the total borrowings of the Company stood at ₹ 5,908.21 crore. Around 85% of the asset portfolio comprises of MSME loans, which qualifies as Priority Sector Lending. The Company aims to maintain 20% to 25% of AUM as off book through direct assignment and co-lending transactions, which is with door-to-door maturity and without recourse to the Company. This further strengthens the liability management.

Source of Fund as on March 31, 2023



Following prudent practices, the total Cash credit limit available to the Company is ₹ 1,690 crore spread across 14 banks. The utilisation level is maintained at 65% - 70% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.

As on March 31, 2023, the Company had a liquidity buffer of around ₹ 800 crore and an unutilised Cash Credit facility of around ₹ 375 crore. In addition, the Company has a sanction on hand to the tune of ₹ 1,250 crore in the form of Term Loan, NCD and Direct assignment.

MAS has also assessed its structural liquidity for the period ended March 31, 2023 and concluded that there is no negative impact on liquidity and the cash flow.

The Company has also stress-tested its liquidity model and is comfortably placed to meet its repayment obligations for the entire year.

RESOURCE MOBILISATION

Share Capital: As on March 31, 2023, the issued and paid-up Equity Share Capital of the Company stood at ₹ 54.66 crore consisting of 5.46 crore Equity Shares of ₹ 10 each.

Term Loan: For FY 2022-23, the Company availed term loans amounting to ₹ 2,563.50 crore with an average tenure around of 4 years.

Assignment of Loan Portfolio/Co-Lending: For FY 2022-23, the Company has done assignment of portfolio/co-lending to the tune of ₹ 1,674.41 crore.

Non-Convertible Debentures (NCDs): For FY 2022-23, the Company has issued NCDs (Including Subordinated Debentures of ₹ 160 crore) to the tune of ₹ 510 crore.

CREDIT RATINGS

For FY 2022-23, the below credit rating was obtained from:

Acuite Ratings & Research

Acuite has reaffirmed its long-term rating of 'ACUITE AA-' (read as ACUITE double A minus) on the ₹ 4,500 crore bank facilities with 'Stable' Outlook.

Acuite has assigned its long-term rating of 'ACUITE AA-'(read as ACUITE double A minus) on the ₹ 1,500 crore bank facilities with 'Stable' Outlook.

Acuite has reaffirmed its short-term rating of 'ACUITE A1+' (read as ACUITE A one plus) on the ₹ 300 crore Commercial Paper Programme.

CARE Ratings

CARE has reaffirmed its rating of CARE A+ (read as Single A Plus) on the ₹ 6,000 crore Long Term Bank Facilities with 'Stable' Outlook.

CARE has reaffirmed its rating of CARE A+ (read as Single A Plus) on the ₹ 250 crore Non-Convertible Debenture (NCD) Issue with 'Stable' Outlook.

CARE has reaffirmed its rating of CARE A1+ (read as A One Plus) on the ₹ 250 crore Commercial Paper Issue.

CARE has reaffirmed its rating of CARE PP-MLD A+ (read as Principal Protected-Market Linked Debentures Single A Plus) on the ₹ 475 crore Principal Protected Market Linked Debenture (MLD) Issue with 'Stable' Outlook.

CARE has assigned its rating of CARE PP-MLD A+ (read as Principal Protected-Market Linked Debentures Single A Plus) on the ₹ 300 crore Principal Protected Market Linked Debenture (MLD) Issue with 'Stable' Outlook.

CARE has assigned its rating of CARE A+ (read as Single A Plus) on the ₹ 200 crore Subordinated bonds Facilities with 'Stable' Outlook.

CARE has reaffirmed its rating of CARE A+ (read as Single A Plus) on the ₹ 200 crore Subordinated bonds Facilities with 'Stable' Outlook.

CAPITAL MANAGEMENT

MAS is committed to maintaining a strong and stable financial position, with a focus on maximising returns on capital employed while adhering to RBI guidelines. The Company employs prudent capital management strategies to achieve this objective and continuously seeks to improve its practices in order to strengthen its balance sheet. By maintaining a healthy balance between risk and return, MAS can provide sustainable value to its stakeholders while maintaining a stable and robust financial position.

CREDIT AND RISK MANAGEMENT

MAS acknowledges that risk management is a crucial aspect of its operations. The Company recognises that risks can originate from both internal and external sources, and has instituted various measures to identify, evaluate, and mitigate these risks.

MAS defines its risk appetite, functional policies, and key risk indicators (KRIs) to explicitly determine the level and nature of risk that it is willing to take. The Company's risk management structure proactively identifies and addresses risks through risk assessment, a risk catalogue, a risk appetite framework, risk planning, risk culture, internal controls, and good governance.

To mitigate credit risk, MAS has developed customised credit analysis procedures for each product based on customer nature, loan purpose, and loan amount. The risk and collection department continuously align credit and collection policies, and resourcing, obtaining external data from credit bureaus, and regularly reviewing portfolios and delinquencies by senior and middle management teams. Additionally, MAS maintains sufficient spreads, offers relatively short tenure loans, and resets lending rates periodically to mitigate the risk of interest rate volatility.

At the end of FY 2022-23, the net NPAs of the Company stood at 1.52% of total AUM. During the year under consideration, it has extended loans with an average tenure of 22 months. Besides, MAS has a well-diversified portfolio of borrowers within its business segments. The inter-segment and intra-segment diversity applies to a very large market size, serves as a very potent protection against market risks that could occur due to various macro-economic developments. Moreover, the Company on a regular basis tracks the market developments and undertakes appropriate actions whenever required.

OPPORTUNITIES & THREATS

MAS constantly monitors the external environments and internal situation so that it is aware of the opportunities and threats that emerge. This enables the Company to tap into the positive prospects that come its way while overcoming or bypassing the challenge of threats.

Opportunities

- Diverse loan book and pan-India presence to accelerate growth
- Unique Business Model helps to minimise risk and operating cost
- Adequate capitalisation to support medium-term growth plans
- Brand recognition among lower income and middle-income groups of the society spread across urban, semi urban, and rural areas
- Operates in underpenetrated business segment with huge growth potential
- Successful track record of catering to the MSME sector
- Initiatives by the Government to further boost MSME sector

Threats

- Unpredictable policy changes by the Government
- Increasing competition from local and global players
- Higher exposure to semi-formal and informal sector customers

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

MAS has adequate internal controls and standardised operating processes that are envisaged to protect assets and business efficiency. The Company has established strong and well-entrenched internal control procedures commensurate with its size and operations and relevant to its broad domain of the lending business.

Internal financial controls have been developed for and implemented at every business process across the Company. This ensures strict adherence and compliance with statutes and laws. Checks and balances and control systems have been established to ensure that assets are safeguarded, utilised with proper authorisation, and recorded in the books of account. The Company takes a complete view of the credit assessment process by framing credit screens based on reliable demographic data and strict adherence of the same with an element of adaptability. At the same time, there is no compromise on the fundamentals of extending credit, where it is outstanding. MAS is continuously strengthening its due diligence, audit process, evaluation, and the exposure matrix for all its NBFC partners. Internal controls also include regular monitoring of operational expenditure with an endeavour to bring it down through improved efficiencies. The efficacy and adequacy of internal controls and their execution are driven by the ethos of striving for constant improvement. The Company's Audit Committee reviews the internal control system and looks into the observations of the statutory and internal auditors. This includes review of policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business and fixing responsibility against all the controls. The management tests the controls across processes and redressal of any deviations in business operations is undertaken. The Audit function provide reasonable assurance regarding the effectiveness and efficiency of operations, safeguarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations.

HUMAN RESOURCES

MAS recognises the crucial role played by its employees in driving its growth and success. To this end, the Company prioritises providing a supportive work environment that fosters employee satisfaction and motivation to achieve both personal and professional goals. MAS has cultivated an inclusive work culture that values responsibility and instils a sense of pride in its employees, resulting in a high retention rate.

The Company regularly reviews its business and people policies to identify opportunities for improvement. It has implemented strong talent management practices that include development programs, productivity initiatives, and reward mechanisms aimed at achieving organisational goals and retaining employees. Furthermore, MAS is committed to supporting the continuous growth and development of its workforce through Learning & Organisational Development initiatives.

MAS also upholds the highest standards of corporate governance, with its leaders and management team demonstrating proactive involvement in the Company's strategic direction. The senior management team consists of seasoned lending professionals with long-standing associations with MAS.

As on March 31, 2023, the employee strength of the Company stood at 1,154.

OUTLOOK

NBFCs are becoming increasingly important players in the financial sector, as they cater to the needs of previously overlooked or underserved segments of the population. Their market share and product range are expected to expand as they target this vast and growing segment. Digital tools and technology are already being used by NBFCs to enhance their efficiency and customer outreach, and their clients will continue to use their services as they rise in economic status, provided they have positive experiences and are offered suitable products.

In this dynamic landscape, MAS has a clear path forward in terms of its approach to asset creation and liability management. It plans to continue serving the LIG and MIG class of customers in rural, semi-urban, and urban areas, focussing on SME and housing finance as key growth drivers. The Company intends to prioritise asset quality and profitability to enhance shareholder value, with growth expected to remain in the range of 20% to 25% over the next five years.

To achieve this growth and maintain healthy returns, MAS seeks to strengthen its distribution network in existing states and explore potential opportunities in new geographies. It plans to maintain an ideal debt resource mix and ensure continuous flow of funds while optimising the use of capital. The Company also prioritises operational excellence and is committed to learning and improving efficiency in all areas of operation.

DISCLOSURE OF ACCOUNTING TREATMENT

Till the quarter ended 31st December, 2022, the Company opted a prudent practice of amortising the income over the tenure of loans assigned instead of booking it upfront. This practice in management's view ensures true and fair financial position of the Company. The same is a deviation from the Ind AS 109 'Financial Instruments'. However, during the quarter ended March 31, 2023, the Company has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. Please refer note 32 of the standalone financial statements for detailed explanation on changes in accounting policy.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of MAS, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Company's Annual Report FY 2022-23.

Annexure - I

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors' Report for the year ended on March 31, 2023.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective Corporate Governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the stakeholders, shareholders, employees and customers. Good Corporate Governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the organization; It enhances long term Shareholders value through assisting the top management in taking sound business decisions and prudent financial management and achieving transparency and professionalism in all decisions and activities of the Company.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to corporate governance and the Regulations of RBI for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'NBFC Regulations'), as applicable to the Company.

Good Corporate Governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the Company and its shareholders and should facilitate effective monitoring. The Company acutely and consistently reviews its systems, policies and internal controls with an objective to establish sound risk management system and impeccable internal control system.

BOARD OF DIRECTORS:

At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

CONSTITUTION OF BOARD:

The Company's policy encourages having an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

a) The Board of the Company comprises six (6) Directors out of which one (1) is Promoter Executive Director, one (1) is Woman Executive Director, one (1) is Woman Independent Director and Three (3) are Independent Directors as on March 31, 2023, the details of which are as below:

Name of Directors	Designation	Category	Date of Appointment	Total Directorship including this Company	No. of Committee Membership/ chairman in other Domestic Companies including this Company^		No. of Equity Shares held as on March 31, 2023
					Chairman#	Members ##	
Mr. Kamlesh Chimanlal Gandhi	Chairman & Managing Director (Promoter)	Executive Director	25/05/1995	6	-	-	63,40,508
Mrs. Darshana Pandya	Director & CEO (Non-Promoter, Non-Independent)	Executive Director	23/09/2016	5	-	3	19,446
Mr. Balabhaskaran	Independent Director	Non - Executive Director	25/05/1995	4	1	2	945
Mr. Chetan Ramniklal Shah	Independent Director	Non - Executive Director	06/06/2008	2	2	1	Nil
Mr. Umesh Rajanikant Shah	Independent Director	Non - Executive Director	21/12/2016	1	-	1	250
Mrs. Daksha Niranjan Shah	Independent Woman Director	Non - Executive Director	14/03/2019	9	-	2	Nil

^ Committee includes Audit Committee and Stakeholder Relationship Committee across all Public Companies.

Details of Chairman in Committees:

Director	Committee
Mr. Balabhaskaran	1. Audit Committee – MAS Rural Housing & Mortgage Finance Limited
Mr. Chetan Shah	1. Audit Committee – MAS Financial Services Limited
	2. Stakeholder Relationship Committee – MAS Financial Services Limited

Details of Membership in Committees:

Name of Director	Membership in Committees
Mr. Balabhaskaran	1. Audit Committee - MAS Financial Services Limited
	2. Stakeholder Relationship Committee - MAS Financial Services Limited
Mr. Umesh Shah	1. Audit Committee – MAS Financial Services Limited
Mr. Chetan Shah	1. Audit Committee – MAS Rural Housing & Mortgage Finance Limited
Mrs. Darshana Pandya	1. Audit Committee – MAS Financial Services Limited
	2. Stakeholder Relationship Committee – MAS Financial Services Limited
	3. Audit Committee – MAS Rural Housing & Mortgage Finance Limited

None of the above Directors bear inter-se relation with other Directors.

The composition of Board complies with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

None of the Directors on the Board holds directorships in more than seven listed companies and none of the Independent Director serves as an Independent Director on more than seven listed companies.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

b) Names of the other listed entities where the person is a Director and the Category of Directorship:

Names of Directors	Name of the listed entities	Category of Directorship
Mrs. Daksha Shah	Sadbhav Infrastructure Project Limited	Non-Executive - Independent Director

Board Meetings:

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional board meetings are convened, as and when required, discussing and deciding on various business policies, strategies and other businesses. The Board meetings are held at Ahmedabad.

During the year under review, Board of Directors of the Company met 6 (Six) times, viz May 04, 2022, July 06, 2022, August 03, 2022, November 02, 2022, February 01, 2023 and February 20, 2023. The gap between two consecutive meetings has been less than one hundred and twenty days.

During the year, one circular resolution was passed with requisite majority on March 29, 2023.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Name of Directors	No. of Board meeting held during the year (2022-23)	No. of Board Meeting attended during the year (2022-23)	Attended the previous AGM (Yes or No)
Mr. Kamlesh C. Gandhi	6	6	Yes
Mrs. Darshana Pandya	6	6	Yes
Mr. Balabhaskaran	6	6	No
Mr. Chetan R. Shah	6	4	Yes
Mr. Umesh R. Shah	6	4	Yes
Mrs. Daksha N. Shah	6	6	Yes

Directorship & Membership of Board / Committees:

Name of Directors	Directorship	Category	*No. of Committees
Mr. Kamlesh Chimanlal Gandhi	1. MAS Financial Services Limited#	Executive Director	-
	2. MAS Rural Housing & Mortgage Finance Limited	Executive Director	-
	3. Prarthna Marketing Private Limited	Executive Director	-
	4. Swalamb Mass Financial Services Ltd	Executive Director	-
	5. Finance Industry Development Council	Non-Executive Director	-
	6. MASFIN Insurance Broking Private Limited	Executive Director	-
Mrs. Darshana Pandya	1. MAS Financial Services Limited#	Executive Director	Audit Committee – Member SRC - Member
	2. MAS Rural Housing & Mortgage Finance Limited	Executive Director	Audit Committee – Member
	3. Swalamb Mass Financial Services Ltd.	Executive Director	-
	4. Prarthna Marketing Private Limited	Executive Director	-
	5. MASFIN Insurance Broking Private Limited	Executive Director	-
Mr. Balabhaskaran	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee – Member SRC - Member
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	Audit Committee – Chairman Nomination & Remuneration Committee - Chairman
	3. Swalamb Mass Financial Services Ltd	Non - Executive Director	-
	4. Kesavan Chandrika Foundation	Non - Executive Director	-
Mr. Chetan Ramniklal Shah	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Chairman Nomination & Remuneration Committee – Member SRC - Chairman
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee - Member
Mr. Umesh Rajanikant Shah	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee – Chairman
Mrs. Daksha Niranjan Shah	1. MAS Financial Services Limited#	Non - Executive Director	-
	2. Saline Area Vitalisation Enterprise Limited	Non - Executive Director	-
	3. Sadbhav Infrastructure Project Limited#	Non - Executive Director	Stakeholders Relationship Committee - Member
	4. Altura Financial Services Limited	Executive Director	
	5. Rohtak – Panipat Tollway Private Limited	Non - Executive Director	-
	6. Rohtak – Hissar Tollway Private Limited	Non - Executive Director	-
	7. Sadbhav Jodhpur Ring Road Private Limited	Non - Executive Director	-
	8. Sadbhav Kim Expressway Private Limited	Non - Executive Director	-
	9. Sadbhav Gadag Highway Private Limited	Non - Executive Director	Audit Committee - Member

*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee (SRC) across all Public Companies.

Securities of the Entity are listed on Stock Exchange.

List of Matrix/chart of special skill:

Sr. No.	Name of the Directors	Skills/Expertise identified by the Board	Specialization
1.	Mr. Kamlesh C. Gandhi	• Management & Governance • Financial Services • Integrity • Ability to function as Team	He is Founder, Chairman and Managing Director of the Company. He manages the Company with the guidance and support of the Board. He is a proficient and experienced industry practitioner with a brilliant track record. He has over two decades managed and propelled the Company's growth. He holds Higher secondary school examination certificate from the Gujarat Secondary Education Board, Gandhinagar in 1983. His understanding and the vision is among the key enables for the consistent performance of the Company.
2.	Mrs. Darshana Pandya	• Leadership Quality • Commitment • Future Vision & Innovation	She is having vast experience in Finance sector for past 26 years. She is a commerce graduate who joined the Company in 1996 as a junior executive and through her hard work, immaculate working and determination to excel, accompanied by enabling support from the management; rose to the level of Director & CEO. She is very dedicated towards her roles & responsibilities. She is having good exposure in the Finance sector. During her career span, she has successfully established and led many innovative services which have led the organization grow. (i.e. created value in the organization). She is responsible for leading the operations at HAS and also the relationship of the company with its more than 90 NBFC-MFI & NBFC Partners.
3.	Mr. Balabhaskaran		He has over 26 years of professional experience and has in the past held various positions with Shanti Business School as Director, PGDM, Gujarat Industrial Investment Corporation Limited as Senior Manager (Overseas Cell), Jyoti Limited as the Corporate Planning Officer, Bihar State Credit & Investment Corporation Private Limited as Development Officer, Indian Institute of Management as a researcher, Tata Merlin & Gerin Limited as Junior Engineer, Khira Steel Works Private Limited as Trainee Industrial Engineer, and Reunion Engineering Company Private Limited as Trainee Engineer. He holds a bachelor's of technology degree in electrical engineering (power) from Indian Institute of Technology, Madras, a post graduate diploma in management from Indian Institute of Management, Bangalore and a doctorate in management from Sardar Patel University. He is also a qualified chartered financial analyst registered with the Institute of Chartered Financial Analysts of India. The Company is benefitted from the valuable experience, knowledge and Expertise of Mr. Balabhaskaran.
4.	Mr. Chetan R. Shah		He has over 37 years of experience in the financial services sector and has in the past worked with the Natpur Co-Operative Bank as the Manager – Finance. He holds bachelor's degrees in commerce and law (general) from Gujarat University and He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India. The Company is benefitted from the valuable experience, knowledge and Expertise of Mr. Chetan R. Shah.
5.	Mr. Umesh R. Shah		He has more than three decades of experience in the diversified fields connected with Finance, Accounting, Auditing and Taxation. He is Bachelor of Commerce and Chartered Accountant holding membership of the Institute of the Chartered Accountants of India (ICAI). The Company is benefitted from the valuable experience, knowledge and Expertise Mr. Umesh R. Shah.
6.	Mrs. Daksha N. Shah		She has rich experience of more than three decades in diversified fields of Textile, Chemical and Financial services. She worked as a Programme Director of Vikas Centre for Development and Friends of Women's World Banking by serving and building capacity of more than 80 Microfinance Organizations all over India. She has served on the Board of various MFIs as well as Trustee of various Trusts involved in social and humanitarian work. She worked as Managing Director of Pahal Financial Services Pvt. Ltd from 2011 to 2014. At present she is the Managing Director of Altura Financial Services Ltd since 2014. She is a business graduate from Indian Institute of Management (IIM), Ahmedabad, specializing in Finance and Marketing and also a student of Economics and Statistics. She has undergone various courses such as the course in Microfinance at the Economic Institute, Boulder, Colorado, USA. The Company is benefitted from the valuable experience, knowledge and expertise of Mrs. Daksha N. Shah.

In the opinion of the Board, the independent directors fulfill the conditions specified in Listing Regulations and are Independent of the Management.

No Independent Director has resigned before the expiry of their tenure during the year; therefore there is no requirement to make any disclosure in the said matter.

Independent Directors and Evaluation of Directors and the Board:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has Four Independent Directors in line with the Companies Act, 2013 and the provisions of Listing Regulations. The terms and conditions of appointment of Independent Directors and Code for Independent Directors are hosted on the website of the Company at www.mas.co.in. The Company has received necessary declaration from each Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 alongwith in compliance in Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 25 (8) & (9) of Listing Regulations.

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and of each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

A separate meeting of Independent Directors was held on March 30, 2023 to review the performance of Non-Independent Directors and Board as whole.

Familiarization Programme:

The Company has adopted the Familiarization Programme to familiarize Independent Directors of the Company. The Company has held programmes for the Independent Directors and some of such programmes carried out during the year were as under:

- Various presentations were made by the Senior Executives, Statutory Auditor inter alia, about the business of the Company and of its subsidiaries from time to time, on different functions and areas, with special reference to the nature of the industry in which these companies operate.

- Deliberations were held and presentations were made from time to time on major development in the areas of the Companies Act 2013, notifications including amendments in existing regulations issued by the Securities and Exchange Board of India (SEBI), and amendments in circular of Reserve Bank of India (RBI).

- Presentation related to the Risk Management Framework including technological risk, operational risk, financial risk, market risk, compliance risk, etc.;

- The regular meeting of the Independent Directors is being held with Executive Directors to interact with the strategy, operation and functions of the Company. Further, the Independent Directors are provided with opportunity to interact with the Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Company conducted Four (4) programmes during the year 2022-23 and the time spent by Independent Directors was in the range of 1- 2 hours.

It may be noted further that the independent directors of the Company being persons of great eminence and expertise were already well conversant with the business and functioning of the Company, as also with other aspects referred to in the above-said regulation. Further, considering the variety of programmes conducted for the independent directors, the particulars of number of programmes, numbers of hours spent in such programmes & such other details of familiarization programmes are not being provided separately.

The Familiarization Programme, as adopted by the Board, has been uploaded on the website of the Company at www.mas.co.in and the same can be accessed through the weblink: https://mas.co.in/policy.aspx.

Details of Committees:

A. Audit Committee:

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. Audit Committee meetings are generally held once in a quarter for the purpose of recommending the quarterly / half yearly / yearly financial result and the gap between two meetings did not exceed one hundred and twenty days. Additional meetings are held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met 4 (four) times on May 04, 2022, August 03, 2022, November 02, 2022 and February 01, 2023.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2022-23	
		Held	Attended
Mr. Chetan Shah	Chairman	4	3
Mr. Balabhaskaran	Member	4	4
Mr. Umesh Shah	Member	4	3
Mrs. Darshana Pandya	Member	4	4

The Statutory Auditors and Internal Auditors of the Company are invited in the meeting of the Committee wherever required.

Mr. Chetan Shah, the Chairman of the Audit Committee had attended last Annual General Meeting of the Company held on August 24, 2022.

The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

Recommendations of Audit Committee have been accepted by the Board of wherever/whenever given.

A. Broad terms of Reference:

The role of the audit committee shall include the following:

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

(23) The Committee shall review compliance with the provisions of Securities and Exchange Board of Indian (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

(24) The Committee shall review & recommend any variation in the remuneration of CMD, CEO and CFO.

B. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the audit committee), submitted by management;

3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses; and

5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

6. statement of deviations:

a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

B. NOMINATION AND REMUNERATION COMMITTEE:

The Company has formed Nomination and Remuneration Committee in line with the provisions Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Director or Key Managerial Personnel and may be appointed in senior management and recommending their appointments and removal and also to review key result areas and key performance expected from the directors during the quarters and to review remuneration paid to the directors, key managerial personnel and senior management team. During the year under review, the members of Nomination and Remuneration Committee met 4 (Four) times on May 04, 2022, August 03, 2022, November 02, 2022 and February 01, 2023.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2022-23	
		Held	Attended
Mr. Umesh Shah	Chairman	4	3
Mr. Chetan Shah	Member	4	3
Mr. Balabhaskaran	Member	4	4

Broad terms of reference:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

(4) To carry out evaluation of Director's performance.

(5) To recommend to the Board the appointment and removal of Directors and Senior Management.

(6) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

(7) To devise a policy on Board diversity, composition, size.

(8) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(9) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

(10) To oversee the framing, review and implementation of Compensation Policy as and when applicable.

(11) To work in close coordination with Risk Management Committee (RMC) of the Company to achieve effective alignment between compensation and risks.

(12) To ensure 'fit and proper' status of proposed/ existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management

(13) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration of Directors:

The Company has not entered into any pecuniary relationship or transactions with Non-Executive Directors of the Company.

Further, criteria for making payment, if any, to non-executive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company viz https://www.mas.co.in/policy.aspx

During the year under review, the Company has paid remuneration to Executive Directors of the Company, details of which are as under:

Sr. No.	Name of Directors	Designation	Component of payment	Remuneration paid (Amount in ₹ Lakh)
1.	Mr. Kamlesh Gandhi	Chairman & Managing Director	Salary (including bonus)	507.70
2.	Mrs. Darshana Pandya	Director & CEO	Salary (including bonus)	66.53

During the year under review, the Company has paid Sitting fees to Non – Executive Independent Directors of the Company, details of which are as under:

Sr. No.	Name of Directors	(Amount in ₹)
1.	Mr. Bala Bhaskaran	3,25,000
2.	Mr. Chetan Shah	2,55,000
3.	Mr. Umesh Shah	2,25,000
4.	Mrs. Daksha Shah	1,20,000

The remuneration of the Executive Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration Policy within the limit approved by the Board and Members.

The Company believes that non-executive director's compensation must reflect the time, effort, attendance and participation in Board and Committee meetings. The payment which is proportionate to attendance ensures directors' remuneration is commensurate with their time, effort, attendance and participation. Accordingly, the sitting fees previously paid to the Independent Directors were fixed amount of ₹ 15,000/- per committee meeting & ₹ 25,000/- per Board meeting.

No other performance linked incentives or any other fees are paid to any of the Directors.

The Company has not entered into any Service Contract with the Directors, except agreement with the Managing Director entered with Mr. Kamlesh C. Gandhi and Whole-Time Director agreement with Mrs. Darshana Pandya who is the Whole-time Director of the Company.

The Notice Period of the Executive Directors of the Company is 6 months. Further, there is no notice period for the Independent Directors of the Company.

The Company does not pay any severance fees to any of the Directors.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable.

C. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Company has constituted Stakeholder's Relationship Committee in pursuance to the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

During the year under review, Stakeholder's Relationship Committee 4 (Four) times on May 04, 2022, August 03, 2022, November 02, 2022 and February 01, 2023.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2022-23	
		Held	Attended
Mr. Chetan Shah	Chairman	4	3
Mrs. Darshana Pandya	Member	4	4
Mr. Balabhaskaran	Member	4	4

Complaint:

During the year, the Company had not received any complaints from the Shareholders of the Company. Therefore there was no complaint pending as on March 31, 2023.

Mr. Chetan Shah, the Chairman of the Committee had attended last Annual General Meeting of the Company held on August 24, 2022.

Name and designation of the Compliance Officer and the Investor Grievances Officer:

Ms. Riddhi Bhaveshbhai Bhayani
Company Secretary and Compliance Officer
6, Narayan Chambers, Ground Floor,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009
E-Mail: greivance@mas.co.in
Phone: +91-79-41106638

Broad terms of reference:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal, the Company has no transfers pending at the closure of the financial year. The Committee shall also review services rendered by the Registrar & Share Transfer Agent;
4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

D. RISK MANAGEMENT COMMITTEE:

The Company has constituted Risk Management Committee in pursuance to the Regulation 21 of Listing Regulations as amended, to assess the risk associated, mitigation of such risk and formulation of Risk Management Plan.

During the year under review, Risk Management Committee has 4 (Four) times on May 04, 2022, August 03, 2022, November 02, 2022 and February 01, 2023.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of Meetings held during the financial year 2022-23	
		Held	Attended
Mr. Chetan Shah	Chairman	4	3
Mr. Umesh Shah	Member	4	3
Mrs. Darshana Pandya	Member	4	4

Chief Risk Officer: Mr. Nishant Jain

Board Terms of Reference:

1. To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business Continuity Plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. To work in close coordination with Nomination and remuneration Committee (NRC) of the Company to achieve effective alignment between compensation and risks

In compliance with the Reserve Bank of India Circular No. DNBR (PD) CC.No.099/03.10.001/2018-19 dated May 16, 2019 the Company had appointed Mr. Nishant Jain as the Chief Risk Officer of the Company, in order to carry out all functions and discharge all responsibilities as per the terms of the aforesaid RBI circular.

E. GENERAL BODY MEETINGS:

a. Annual General Meetings:

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2021-22	August 24, 2022	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	3
2020-21	August 25, 2021	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	Nil
2019-20	December 09, 2020	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	2

Following Special Resolutions were passed through remote E-voting and e-voting during the meeting, as per the procedure prescribed under Section 108 & Section 109 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011 under the overall supervision of the Scrutinizer, Mr. Ravi Kapoor, Practicing Company Secretary.

Resolution(s)	Details of Resolution(s)	Resolution(s) Passed on	Total No. of votes in favour	Total No. of votes against	% of votes in favour	% of votes against
Special	Re-appointment Mr. Umesh Shah (DIN: 07685672) as an Independent Director of the Company for a term of 5 years.	August 24, 2022	4,92,43,864	4,86,166	99.02	0.98
Special	Approval for increasing the Borrowing Powers under Section 180(1)(c) upto ₹ 10,000 Crores	August 24, 2022	4,96,82,589	47,441	99.90	0.10
Special	Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a).	August 24, 2022	4,96,82,223	47,807	99.90	0.10
Special	Approval for increasing the Borrowing Powers under Section 180(1)(c) upto ₹ 7500 Crores	December 09, 2020	4,64,47,584	5,877	99.98	0.01
Special	Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a).	December 09, 2020	4,64,47,584	5,877	99.98	0.01

All of the aforesaid resolutions were passed by the shareholders by overwhelming and requisite majority.

The Company has not passed any special resolution last year through postal ballot.

The Company has not proposed any Special Resolutions through Postal Ballot during the year under reference.

F. MEANS OF COMMUNICATION:

a. Financial Results:

The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as "Free Press Gujarat" in English and "Lok Mitra" in Gujarati language and are displayed on the website of the Company www.mas.co.in.

b. Website:

The Company's website www.mas.co.in contains a separate dedicated section namely "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company https://www.mas.co.in/annual-reports.aspx in a downloadable form.

c. Presentations/News Releases:

During the year under review, the Company has made presentations to institutional investors / to the analysts and it is available on the website of the Company https://www.mas.co.in/investor-presentation.aspx. Further, the Company has displayed official news releases which are available on company's website www.mas.co.in.

G. GENERAL SHAREHOLDERS INFORMATION:

a. Company Registration details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910GJ1995PLC026064.

b. Registered Office:

6, Narayan Chambers, Ground floor, B/H Patang Hotel Ashram Road, Ahmedabad – 380 009, Gujarat.

c. Date, time and venue of the 28th Annual General Meeting:

28th Annual General Meeting is to be held on Wednesday, July 26, 2023 at 11:30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

d. Financial Year:

Financial year is April 1, 2023 to March 31, 2024 and financial results will be declared as per the following schedule:

Particulars	Tentative Schedule
Quarterly Results	
Quarter ending on June 30, 2023	On or before August 14, 2023
Quarter ending on September 30, 2023	On or before November 14, 2023
Quarter ending on December 31, 2023	On or before February 14, 2024
Annual Result of 2023-24	On or before May 30, 2024

e. Dividend Payment:

The Company had paid an Interim Dividend of ₹ 1.80/- (Rupees One decimal Eighty only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (18%) aggregating to ₹ 9,83,91,677/- (Rupees Nine Crore Eighty Three Lakh Ninety One Thousand Six Hundred Seventy Seven Rupees), during the financial year 2022-23. The same was declared by Board of Directors in their meeting held on February 01, 2023. The said dividend was paid on February 17, 2023.

Your Directors are pleased to recommend a Final Dividend of ₹ 1.85/- (Rupees One decimal Eighty Five Paise Only) per Equity Share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (18.5%) aggregating to 10,11,24,779.55/- (Rupees Ten Crore Eleven Lakh Twenty Four Thousand and Seven Hundred Seventy Nine Rupees and Fifty Five Paisa Only) for the Financial year 2022-23, subject to the approval of members in the ensuing Annual General Meeting of the Company. The payment of Final Dividend shall be paid to those members whose names appears in the Register of Members of the Company or in the records of depositories as beneficial owners of Equity Shares as on July 19, 2023. The payment of final dividend will be subject to deduction of tax at source as per the applicable rate.

Tax deducted at source (TDS) on dividend:

As per the amended Income Tax Act, 1961, through the Finance Act, 2020, there will be no dividend distribution tax payable by the Company. The dividend, if declared, will be taxable in hands of the shareholders. For details, shareholders are requested to refer to the Notice of AGM.

f. Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, July 20, 2023 to Wednesday, July 26, 2023 (both days inclusive) for the purpose of 28th Annual General Meeting.

g. Listing on Stock Exchanges:

The Company's Equity Shares are listed on the both the stock exchange details of the same are given below. The ISIN of the Company is **INE348L01012**.

BSE Limited	**National Stock Exchange of India Limited**
PhirozeJeejeebhoy Towers	Exchange Plaza
Dalal Street	Plot No. C/1, G Block
Mumbai – 400 001	Bandra-Kurla Complex
Scrip Code: **540749**	Bandra (East)
	Mumbai – 400 051
	Trading Symbol: **MASFIN**

The Company's Debt Securities are listed on BSE Ltd.

Annual listing fees for the year 2023-2024 have been paid by the Company to BSE Ltd. & National Stock Exchange of India Limited.

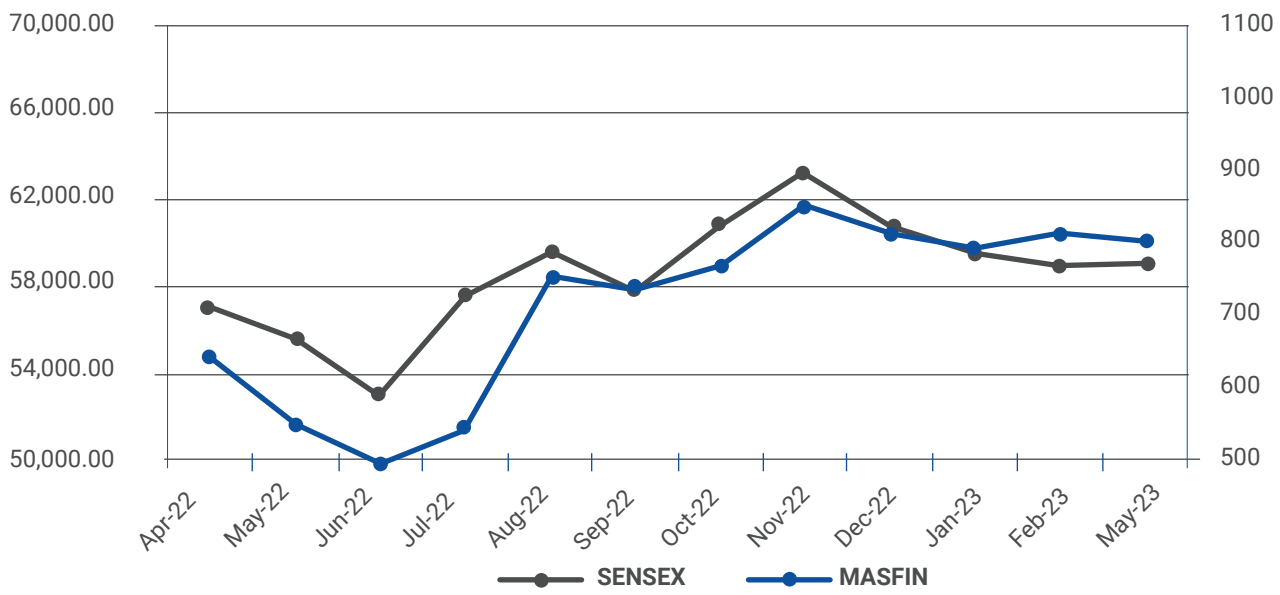
h. Market Price Data:

Month	Price of Company's Shares	
	High (In ₹) – BSE	Low (In ₹) - BSE
April, 2022	673.55	539.55
May, 2022	675.00	525.75
June, 2022	566.40	485.00
July, 2022	584.50	485.00
August, 2022	755.60	543.20
September, 2022	807.10	700.05
October, 2022	871.00	714.25
November, 2022	938.25	769.00
December, 2022	898.90	696.05
January, 2023	854.95	765.05
February, 2023	873.00	765.80
March, 2023	845.15	731.90

The performance of the equity share price of the Company at Stock Exchange at BSE is as under:

Month	MASFIN Share Price at BSE**	SENSEX**
April, 2022	643.45	57,060.87
May, 2022	551.10	55,566.41
June, 2022	494.65	53,018.94
July, 2022	539.20	57,570.25
August, 2022	752.45	59,537.07
September, 2022	736.30	57,426.92
October, 2022	767.85	60,746.59
November, 2022	851.15	63,099.65
December, 2022	811.65	60,840.74
January, 2023	791.50	59,549.90
February, 2023	814.45	58,962.12
March, 2023	803.65	58,991.52

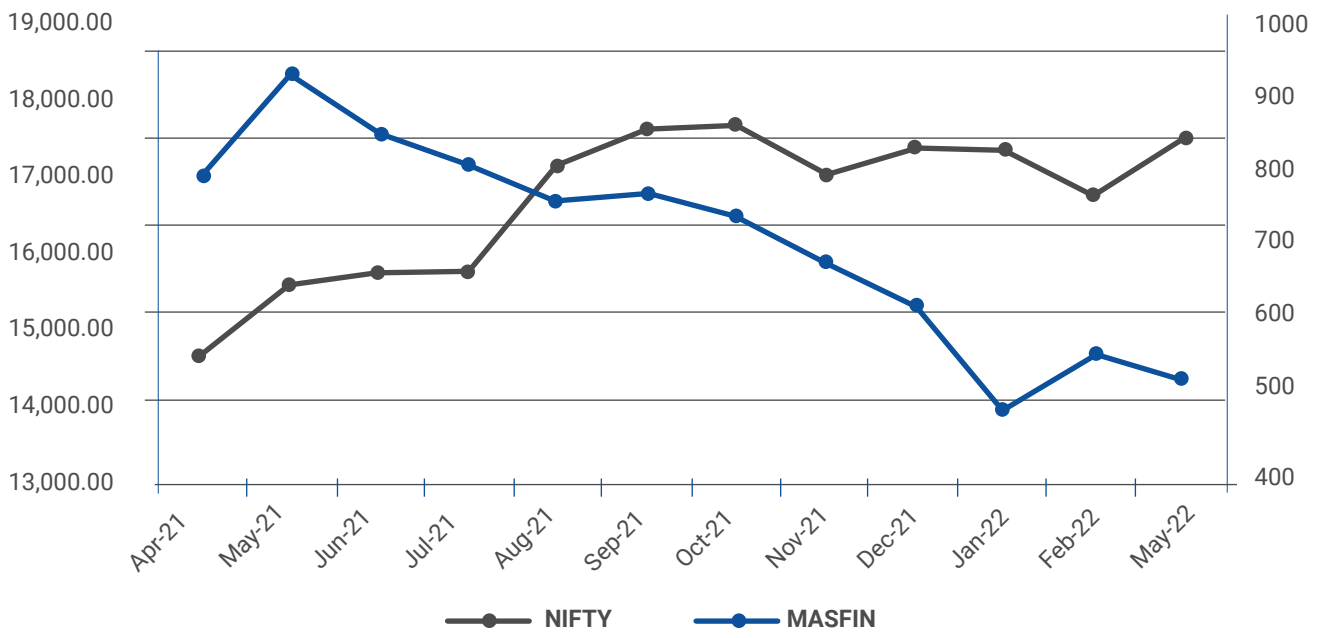
** closing data on the last day of the month



Month	Company's Shares	
	High (In ₹) – NSE	Low (In ₹) – NSE
April, 2022	674.90	538.05
May, 2022	673.00	525.45
June, 2022	564.80	487.90
July, 2022	571.20	480.50
August, 2022	755.95	540.00
September, 2022	808.75	698.90
October, 2022	884.10	714.00
November, 2022	937.95	767.05
December, 2022	900.00	707.00
January, 2023	849.80	762.45
February, 2023	873.00	764.00
March, 2023	848.95	730.00

The performance of the equity share price of the Company at Stock Exchange at NSE is as under:

Month	MASFIN Share Price at NSE**	NIFTY**
April, 2022	640.10	17102.55
May, 2022	542.85	16584.55
June, 2022	494.05	15780.25
July, 2022	540.00	17158.25
August, 2022	752.10	17759.30
September, 2022	738.80	17094.35
October, 2022	765.60	18012.20
November, 2022	851.50	18758.35
December, 2022	810.70	18105.30
January, 2023	794.05	17662.15
February, 2023	815.25	17303.95
March, 2023	801.50	17359.75



i. **Registrar & Transfer Agents:**

Link Intime India Private Limited
Registered Office Address:
C-101, 1st Floor,
247 Park Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Tel No.: +91 22 -49186200
Fax No.: +91 22 -49186195
Email: mas.ipo@linkintime.co.in
Web: www.linkintime.co.in

Branch/Correspondence Address:

506 To 508, Amarnath Business Centre – 1,
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off, Chimanlal Girdharlal Rd,
Sardar Patel Nagar, Ellisbridge,
Ahmedabad – 380006
Tel No.: +91 79 26465179 /86 / 87
Fax No.: +91 79 26465179

j. **Share Transfer Procedure:**

All the physical transfers of shares are processed by the Registrar and Share Transfer Agents and are approved by the Stakeholders' Relationship Committee.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains a Certificate from a Practicing Company Secretary on yearly basis, for due compliance of share transfer formalities.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996 and SEBI (Depositories and Participants) Regulations, 2018, a certificate have also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

k. **Shareholding as on March 31, 2023:**

a. **Distribution of Shareholding as on March 31, 2023:**

Range of No. of Shares	No. of Shareholders		Shares held	
From – To	Number	%	Number	%
1-500	23,746	94.4288	12,22,493	2.2365
501-1000	813	3.2330	6,02,147	1.1016
1001-2000	312	1.2407	4,39,208	0.8035
2001-3000	83	0.3301	2,04,390	0.3739
3001-4000	48	0.1909	1,66,099	0.3039
4001-5000	28	0.1113	1,26,505	0.2314
5001-10000	56	0.2227	3,97,452	0.7271
10001 and above	61	0.2426	5,15,03,749	94.2221
Total	**25,147**	**100**	**5,46,62,043**	**100.00**

b. **Shareholding Pattern as on March 31, 2023:**

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Demat		
Promoter and Promoter Group	-	4,03,00,654	4,03,00,654	73.73
Mutual Funds	-	55,27,413	55,27,413	10.11
Banks/FI/Central Govt./State Govts/ Trusts & Insurance Companies	-	4,90,654	4,90,654	0.90
Foreign Institutional Investors/ Portfolio Investor	-	8,67,499	8,67,499	1.59
NRI	-	1,96,197	1,96,197	0.36
Foreign Nationals	-	-	-	-
Foreign Companies	-	-	-	-
Bodies Corporate	-	3,84,188	3,84,188	0.70
Clearing Member	-	1,958	1,958	0.00
Directors / Relatives of Director	-	33,697	33,697	0.06
Indian Public / HUF	-	28,15,204	28,15,204	5.15
Trusts	-	40,44,579	40,44,579	7.40
NBFCs registered with RBI	-	-	-	-
Alternate Investment Funds	-	-	-	-
Total	**-**	**5,46,62,043**	**5,46,62,043**	**100.00**

l. Dematerialization of Shares and Liquidity:

The Company's shares are traded in dematerialized form. All the Equity shares of the Company are dematerialized as on March 31, 2023.

The Company's shares are traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE348L01012.

m. Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:

There is no outstanding ADR/GDR, Warrants, or any other convertible instrument likely impact on equity.

n. Commodity Price Risk / Foreign Exchange Risk and Hedging:

Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

o. Site location:

The Company is in service sector and does not have any Site / Plant locations. However, the Company operates from its Registered Office only and has 149 branches as on March 31, 2023.

p. Address of Correspondence:

i) MAS Financial Services Limited
Ms. Riddhi Bhaveshbhai Bhayani
Company Secretary and Compliance Officer
6, Narayan Chamber, Ground Floor,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009
E-Mail: riddhi_bhayani@mas.co.in
Phone: +91-79-41106638

ii) For transfer/dematerialization of shares, change of address of members and other queries:
Link Intime India Private Limited
506 to 508, Amarnath Business Centre – 1,
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off. Chimanlal Girdharlal Rd.,
Sardar Patel Nagar, Ellisbridge,
Ahmedabad – 380006
Tel No.: +91 79 26465179 /86 / 87
Fax No.: +91 79 26465179
Email: mas.ipo@linkintime.co.in
Web: www.linkintime.co.in

q. Credit Ratings:

During the year, your Company's long term credit ratings have been reaffirmed to ACUITE AA- with Stable Outlook. Also, your company's short term rating remains the highest ACUITE A1+ by Acuite Ratings & Research. The Credit rating was obtained from Acuite Ratings & Research on 31st July 2020.

H. Other Disclosures:

a. There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in Notes to Financial Statements of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at www.mas.co.in.

b. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years except in one instance where Company has made delay in furnishing prior intimation under Regulation 29(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 to the stock exchange(s) about agenda of recommendation of interim dividend and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority except in one instance mentioned above however the Company has paid the necessary fines with the Stock Exchange(s) for the said non-compliance.

c. The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.mas.co.in.

d. The Company has complied with all mandatory requirements laid down by the Regulation 27 of the Listing Regulations. The non-mandatory requirements complied with wherever requires and the same has been disclosed at the relevant places.

e. The Company has two Subsidiary Companies and therefore, the Company has adopted Policy for determining Material Subsidiary which is uploaded on the website of the Company at www.mas.co.in and the weblink for the same is https://mas.co.in/policy.aspx.

The details of Subsidiary Companies are as under:

Name of the Subsidiary Company	Date & Place of Incorporation	Statutory Auditors
MAS Rural Housing and Mortgage Finance Ltd.	July 24, 2007, Ahmedabad	M/s. MAAK & Associates has been appointed as Statutory Auditor of the company on June 22, 2022
MASFIN Insurance Broking Private Limited	August 05, 2022, Ahmedabad	M/s. Mukesh M. Shah & Co. has been appointed as Statutory Auditor of the company on September 03, 2022

f. The Company has adopted Related Party Transactions Policy which is uploaded on the website of the Company at www.mas.co.in and the weblink of the same is https://mas.co.in/policy.aspx.

g. Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

h. Company has not raised funds through preferential allotment or qualified institutions placement therefore details regarding utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) is Not Applicable to the Company, except for the issuance of NCDs on a private placement basis.

i. The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2023 in compliance with Regulation 17(8) of Listing Regulations. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of Listing Regulations.

j. A qualified Practicing Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

k. We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

l. There were no circumstances where board had no accepted any recommendation of any committee of the board during the year.

m. Total fees paid for the services to the statutory auditors is ₹ 45,68,600/- Lakh for the financial year 2022-23.

Particulars	Amount in Lakhs
Statutory audit	19.84
Limited review of quarterly results	25.41
Other Services	0.44
Reimbursements of expenses	0
Total	**45.69**

n. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted a Special Complaints Committee. During the year 2022-23, no complaints were received by the Committee.

o. disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

Sr. No.	Name of the Senior Management Personnel	Nature of Transaction	Amount (₹ In Crores)
	Nil		

p. The Company has also adopted Material Events Policy, and Policy on Preservation of Documents which is uploaded on the website of the Company at www.mas.co.in and the weblink of the same is https://mas.co.in/policy.aspx.

q. Details of the familiarization programme of the independent directors are available on the website of the company at www.mas.co.in and the weblink of the same is https://mas.co.in/policy.aspx.

r. With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading www.mas.co.in.

s. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and

clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has obtained a certificate affirming the compliance of Conditions of Corporate Governance from Practising Company Secretary, CS Ravi Kapoor and the same is attached to this Report.

t. The Company has executed the Listing Agreement with the BSE Ltd. and the National Stock Exchange of India pursuant to Listing Regulations.

u. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking appointment/re-appointment at the forthcoming AGM are mentioned and in the Annexure to the Notice of the 28th AGM to be held on July 26, 2023.

v. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

w. The Company does not have any demat suspense account/unclaimed suspense account and therefore, the details pertaining the same are not given.

x. During the year under review, there were no complaint i.e. incidences of sexual harassment reported.

y. There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

z. There are no promoter's shares in Lock-in.

l. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations including but not limited to the provisions of regulations 17 to 27 and 46(2)(b) to (i) of the said Regulations.

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana Pandya
Director & CEO
(DIN: 07610402)

Riddhi Bhayani
Company Secretary & Compliance Officer
Membership No.: A41206

Date : May 10, 2023
Place : Ahmedabad

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Mrs. Darshana Pandya, Director & Chief Executive Officer and Mr. Ankit Jain, Chief Financial Officer of MAS FINANCIAL SERVICES LIMITED certify that:

We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2023 and to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

iii. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.

iv. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

v. We further certify that we have indicated to the auditors and the Audit Committee:

   a. There have been no significant changes in internal control over financial reporting system during the year;

   b. There have been no significant changes in accounting policies during the year except for the changes disclosed in the note no. 32 to the standalone financial statements; and

   c. There have been no instances of significant fraud, of which we have become aware, involving management or any employee having a significant role in the Company's internal control system over financial reporting.

Darshana Pandya
Director & Chief Executive Officer
(DIN: 07610402)

Ankit Jain
Chief Financial Officer

Date: May 10, 2023
Place: Ahmedabad

DECLARATION

I, Darshana Pandya, Director & Chief Executive Officer of MAS Financial Services Limited hereby declare that as of March 31, 2023 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Darshana Pandya
Director & Chief Executive Officer
(DIN: 07610402)

Date: May 10, 2023
Place: Ahmedabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
MAS **FINANCIAL SERVICES LIMITED**
6, Narayan Chambers Ground Floor
B/H Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

We have examined online the relevant registers, records, forms, returns and disclosures received from the Directors of MAS **Financial Services Limited** having CIN **L65910GJ1995PLC026064** and having registered office at 6, Narayan Chambers Ground Floor, B/H Patang Hotel, Ashram Road, Ahmedabad – 380 009. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Kamlesh Chimanlal Gandhi	00044852	25/03/2010
2	Daksha Niranjan Shah	00376899	14/03/2019
3	Balabhaskaran	00393346	25/05/1995
4	Chetankumar Ramniklal Shah	02213542	06/06/2008
5	Darshana Saumil Pandya	07610402	23/09/2016
6	Umesh Rajanikant Shah	07685672	21/12/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Ravi Kapoor and Associates**

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
CP No. 2407
UDIN: F002587E000388115

Date: May 10, 2023
Place: Ahmedabad

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
MAS **FINANCIAL SERVICES LIMITED**

We have examined the Compliance Conditions of Corporate Governance by MAS FINANCIAL SERVICES LIMITED for the year ended on March 31, 2023 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2022 to March 31, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Ravi Kapoor and Associates**

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
CP No. 2407
UDIN: F002587E000388115

Date: May 10, 2023
Place: Ahmedabad

Annexure - J

Disclosures pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 last updated June 14, 2022 ("said Master Direction").

- **RELATED PARTY TRANSACTIONS**

  (Pursuant to clause 4.3 of Annex XIV of the said Master Direction)

  (1) Details of all material transaction with related parties are disclosed at Note No. 36 to the Standalone Financial Statements and Note No. 36 to the Consolidated Financial Statements;

  (2) The web-link for the policy on dealing with the Related Party Transactions is https://mas.co.in/policy.aspx

Annexure - K

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65910GJ1995PLC026064
2.	Name of the Listed Entity	MAS Financial Services Limited
3.	Year of incorporation	1995
4.	Registered office address	6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad, Gujarat – 380009
5.	Corporate address	6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad, Gujarat – 380009
6.	E-mail	mfsl@mas.co.in
7.	Telephone	079-41106500
8.	Website	www.mas.co.in
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Ltd.
11.	Paid-up Capital	₹ 54,66,20,430/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Ms. Riddhi Bhayani Designation: Company Secretary & Compliance Officer E-mail Id: riddhi_bhayani@mas.co.in Contact Number: 079-41106638
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). :	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial service activities, except insurance and Pension funding	Other financial activities	97.42%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Non-Banking Finance Company engaged in lending and allied activities	65923	97.42%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices*	Total
National.	NA	149	149
International		NA	NA

*includes branches and corporate office as on March 31, 2023.

17. Markets served by the entity:

a. Number of locations

Location	Total
National (No. of States)	7 States and NCR of Delhi
International (No. of Countries)	NA

* Includes states and union territories as on March 31, 2023.

b. What is the contribution of exports as a percentage of the total turnover of the entity: Nil

c. A brief on types of customers: MAS Financial Services Limited caters a diverse range of financial products and services. Our primary focus lies in delivering dependable and accessible financial services to those in need. We strive to support small and medium enterprises by providing tailored financial solutions, while also offering assistance in the form of two-wheeler loans, personal loans, and commercial vehicle loans. Our objective is to empower individuals and businesses alike by enabling their financial aspirations and fostering economic growth.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	1154	1065	92.29%	89	7.71%
2.	Other than Permanent (E)			NIL		
3.	**Total employees (D + E)**	**1154**	**1065**	**92.29%**	**89**	**7.71%**
			WORKERS			
4.	Permanent (F)			NIL		
5.	Other than Permanent (G)					
6.	**Total workers (F + G)**					

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100%	0	0
2.	Other than Permanent (E)	0	0	0%	0	0
3.	**Total differently abled employees (D + E)**	**1**	**1**	**100%**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	NIL				
5.	Other than Permanent (G)					
6.	**Total differently abled workers (F + G)**					

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	06	02	33.33%
Key Management Personnel	04	02	50%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY (Turnover rate in current FY)			FY (Turnover rate in previous FY)			FY (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.10	20.38	26.62	34.74	29.13	34.40	32.30	36.14	32.50
Permanent Workers	NA			NA			NA		

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	MAS Rural Housing & Mortgage Finance Limited	Subsidiary	59.67%	No
2.	MASFIN Insurance Broking Private Limited	Subsidiary	69%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 949.09 Crore

(iii) Net worth (in ₹) : 1505.73 Crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	0	0	NA	0	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers	Yes	138	2	Nil	55	0	Nil
Value Chain Partners	Yes						
Other (please specify)	Yes	0	0	NA	0	0	NA

The company, in adherence to its policies, practices, and processes, upholds the principle of engaging with stakeholders and seeks to address any disparities in a manner that is just, fair, equitable, and consistent. Should the need arise; the company will take necessary corrective actions to rectify the situation. In addition the grievance mechanism is made available on the company's website.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Financial inclusion	Opportunity	The majority of the population of the country is still unbanked or underbanked	The company is extending credit to unbanked & underbanked borrowers by providing them access to appropriate, affordable, and timely financial products and services.	Positive
2.	Climate Risk	Risk & Opportunity	Risk: The Company is extending credit to used commercial vehicle which may have adverse impact on environment. Reputational Risk may arise if company is not able to achieve stakeholders expectation on climate related disclosures. Opportunities: Increased awareness about climate change has accelerated the adoption of environment friendly products such as electric vehicles, CNG Vehicle etc, thereby creating an opportunity to finance and insure such class of assets.	ESG framework is put in place. Company will do enhanced due diligence and monitoring on ESG risk on certain loans. The company will Recognise opportunities to increase energy efficiency across the organisation which will bring in cost efficiencies over the longer term	Positive & Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Social responsibility towards society	Opportunity	The company keeps a portion of its profit to support CSR activities.	The company through its CSR activities supports the environmental and social activities and create long term positive impact for the society	Positive
4.	Customer relationship	Risk	Company is catering to many customers and any event or activity could impact the customer and reputation of the company	Strong Customer grievance policy and process and continuous education to customer and staff helps the company to mitigate the risk	Negative
5.	Data Security and Privacy	Risk	Companies are assessed based on the amount of personal data they collect, their exposure to evolving or increasing privacy regulations, their vulnerability to potential data breaches, and their data protection systems.	To mitigate data security and privacy risks, the Company has implemented measures such as installing firewalls, upgrading security and creating data backups.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 5	P 7	P 8	P 9
Policy and management processes										
a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes								
b.	Has the policy been approved by the Board? (Yes/No)	Yes								
c.	Web Link of the Policies, if available	https://www.mas.co.in/policy.aspx								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4.	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The formulation of all policies has been guided by industry best practices and in compliance with regulatory mandates.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	As we begin our ESG journey, we recognize the importance of setting targets to measure our adherence to the principles of the National Guidelines on Responsible Business Conduct. Despite being in our first year of ESG adoption, we aim to establish objectives and targets in the upcoming reporting period. Our commitment lies in aligning ESG efforts with our business goals, implementing a comprehensive strategy for sustainability and long-term stakeholder value. We are dedicated to improving our ESG practices and eagerly look forward to sharing our progress in the future.								

6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We are fully committed to providing detailed performance updates, prioritizing clear communication of achievements, financial outcomes, and strategic progress in the years ahead with diligence and transparency.
Governance, leadership and oversight		
7.	Statement by director responsible for the business responsibility related challenges, targets and achievements (listed entity has placement of this disclosure) Please refer to message from the Chairman & Managing Director.	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Kamlesh Gandhi Designation: Chairman & Managing Director DIN: 00044852
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, ESG Committee of the Board of Directors consisting of senior management personnel of the Company to monitor various aspects of social, environmental and governance responsibilities is responsible for decision making on sustainability related issues

10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									**Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)**								
	P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
Performance against above policies and follow up action	As a standard procedure, the company's policies undergo regular or as-needed reviews by the board to ensure their relevance and effectiveness.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The company is in compliance with the extant regulations as applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	Evaluation is a continuous process and is done internally.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
The entity does not consider the Principles material to its business (Yes/No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					NA				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)					NA				
Any other reason (please specify)					NA				

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors & Key Managerial Personnel	BOD – 4 KMP - 7	The company carries out familiarization programmes for its directors, as required under the SEBI Listing regulations. Stage of induction of Independent directors. Updating the Independent directors about the ongoing events and developments relating to the Company. Training on BRSR Requirements and Company's preparedness towards BRSR Reporting. Functioning of various Committees of the Board and business and operations of the Company, risk management, IT strategies, etc. Significant changes in regulatory framework, quarterly and financial results through the Board/Committee meetings and program(s).	100%
Employees other than BoD and KMPs	1511	The Company places substantial emphasis on employee training and development, dedicating resources to keep them well-informed about the latest trends and technologies. Regular awareness programs are also conducted, covering a wide range of relevant topics including code of conduct, ethics, cyber security, data privacy, ESG Awareness, KYC – AML compliances, fraud prevention, Functional Trainings and insider trading.	100%
Workers	NA		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

   Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website:

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (yes/No)
Penalty/ Fine	Nil	Nil	0	Nil	Nil
Settlement	Nil	Nil	0	Nil	Nil
Compounding Fee	Nil	Nil	0	Nil	Nil

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

   Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes.

   The Company has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all of its business dealings through necessary policies, codes and charters. All the employees of the Company must adhere to the commitment of integrity and other responsible business conduct principles laid down in Employee Charter.

   Some of these policies, codes and charters are available on Company's website: https://mas.co.in/policy.aspx

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial year)	FY 2021-22 (Previous Financial year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial year)		FY 2021-22 (Previous Financial year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. – N.A.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

   We are committed to influencing our value chain partners for responsible and sustainable business conduct and the details of awareness programed will be conducted in the upcoming years.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   We maintain a zero-tolerance policy towards unethical business practices and prioritize adherence to relevant principles, including those related to conflict of interest. Additionally, the company ensures compliance with our Code of Conduct by obtaining annual declarations from directors affirming their commitment to upholding ethical standards. In addition the Company has policies on related party transaction which requires all the transactions done in ordinary course of business are at arm's length price to avoid dealing with possible conflicts of Interest.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

   Given the nature of MFSL's business, we continuously make expenditure in specific technologies including on IT hardware and software. We believe better adoption of digital platforms not only brings in increased efficiencies of operations but also ensures substantially through reduced consumption of paper.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	NA
Capex	0	0	NA

2. a. Does the entity have procedures in place for sustainable sourcing?

   The Company provides financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing financial solutions to serve the needs of the people; hence we do not currently maintain records for sustainable sourcing. However, we nurture a culture of conservation of resources and encourage innovations that aid in reducing the dependence on natural resources.

   b. If yes, what percentage of inputs was sourced sustainably?

   Refer point 2(a) above

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. - Given the nature of the business of providing financial services to its customers and does not manufacture any products, hence we do not currently maintain records for hazardous and other waste generation.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Given the nature of our business, the above is not applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   Given the nature of the business of providing financial services to its customers and does not manufacture any products, hence this won't be applicable.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   None other than those identified in S. No. 24 of Section A above.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

   As our company operates in the financial services sector and does not engage in manufacturing, the specific clause mentioned does not apply to our business operations.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

   As our company operates in the financial services sector and does not engage in manufacturing, the specific clause mentioned does not apply to our business operations

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   As our company operates in the financial services sector and does not engage in manufacturing, the specific clause mentioned does not apply to our business operations

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category		% of employees covered by									
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C /A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1065	-	-	1065	100%	-	-	49	4.60	-	-
Female	89	-	-	89	100%	1	1.12	-	-	-	-
Total	**1154**	**-**	**-**	**1154**	**100%**	**1**	**1.12**	**49**	**4.60**	**-**	**-**
Other than Permanent employees											
Male	Nil										
Female											
Total											

b. Details of measures for the well-being of workers: Not Applicable

2. Details of retirement benefits, for Current Financial year and Previous Financial year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a% of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (y/N/N.A.)	No. of employees covered as a% of total employees	No. of workers covered as a% of total workers	Deducted and deposited with the authority (y/N/N.A.)
PF	71.84%	Nil	Yes	78.12%	Nil	Yes
Gratuity	100%		NA	100%		NA
ESI*	17.50%		Yes	23.78%		Yes
Others – Please Specify						

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Our premises/offices are accessible to differently abled employees wherever they are employed.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   Yes. https://mas.co.in/policy.aspx

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Nil	
Female	100%	100%		
Total	**100%**	**100%**		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes. The ERP System is available for any employee to enter his/her grievances. The portal is directly accessed by HR Head of the Company and complete confidentiality is maintained on receiving the complaints/ grievance. The HR Head of the Company works on all issues for speedy resolution.
Other than Permanent Employees	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

   Employees of MFSL are currently not part of any employee association.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees /workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees						
- Male						
- Female						
Total Permanent Workers						
- Male				Nil		
- Female						

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial year					FY 2021-22 Previous Financial year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1065	443	41.60%	552	51.83%	879	357	40.61%	421	47.90%
Female	89	39	43.82%	36	40.45%	67	26	38.81%	22	32.84%
Total	**1154**	**482**	**41.77%**	**588**	**50.95%**	**946**	**383**	**40.49%**	**443**	**46.83%**
Workers										
Male	N.A.									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Performance appraisal was conducted during the year for all the eligible employees as per Company's policies.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Total Permanent Employees	**1154**	**642**	**55.63%**	**946**	**547**	**57.82%**
- Male	1065	598	56.15%	879	519	59.04%
- Female	89	44	49.44%	67	28%	41.79%
Total Permanent Workers	**Nil**					
- Male						
- Female						

10. Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	The Company acknowledges that there are no occupational health and safety hazards associated with its business operations. However, the well-being of its employees remains a top priority. We ensure the availability of a first aid kit at our locations. We also advise our employees to use helmets while riding through various training programs. Moreover, the Company is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace. The Company also provides Accident Policy for the employees. The Company sends periodic internal communication and alerts to employees and conducts awareness sessions on health and safety related aspects such always wear a helmet, drink enough water, stay on the move, choose to use the stairs, etc.
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non- routine basis by the entity?	In light of our business operations, hazard identification may not be directly applicable. Nonetheless, we recognise the importance of continuously conducting hazard identification.
c.	Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)	NA

d.	Do the employees/ worker of the entity have access to non-occupational medical and Healthcare services? (Yes/ No)	The Company has accidental insurance policies for the employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

    Refer 10(a) above

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil					
Health & Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Company strives to keep the workplace environment safe, hygienic and humane. Branches across the group are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

    NA

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) - No

2. Provide the measues undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   We ensure that all statutory payment challans of previous month are attached with current invoice of our regular vendors

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total No. of effected employees/ Workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.	
	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)	FY 2022-23 (Current FY	FY 2021-22 (Previous FY)
Employees	Not Applicable			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed.
Health and safety practices	NA
Working Condition	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   In absence of any significant risks / concerns, no corrective action plan has been necessitated.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   The company recognizes and identifies key stakeholders as individuals or groups who are interested, impacted by, or concerned with its current and future activities. Accordingly, our key stakeholders encompass shareholders and investors, customers, government and regulators, value chain partners, employees, and the society as a whole.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, SMS, Newspaper, Website, Notice	Quarterly/ As and when required	To inform about quarterly performance, call for meeting and other relevant updates.
Investors	No	Email, Newspaper, Community Meetings, Website	Quarterly/ As and when required	To inform about quarterly performance, call for meeting and other relevant updates.
Customers	Yes	Email, SMS, Newspaper, Website	As and when required	To provide financial services, resolve queries and grievances.
Employees	Yes	Email, Website	As and when required	Work related updates, providing awareness programmes
Government and Regulators	Yes	Email	As and when required	To update on various compliances and to seek approvals
Value Chain Partners	Yes	Email	As and when required	To further strengthen the business relationship
Society	Yes	Website, Advertisement, Newspaper	As and when required	To promote social welfare activities including gathering feedback

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   At our company, we prioritize transparent communication and provide access to pertinent information regarding decisions that affect our stakeholders, while ensuring the protection of confidential competitive plans and information. Engaging with stakeholders is an ongoing process, and the board regularly receives updates on significant developments resulting from such engagement efforts.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes. The engagement with stakeholders on a continuous basis plays a crucial role in meeting their expectations and enables our company to better serve their needs. By actively involving our stakeholders, we strive to enhance our understanding of their requirements, foster stronger relationships, and ultimately deliver more effective solutions.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   Our company is dedicated to making a positive impact on society through its Corporate Social Responsibility (CSR) initiatives. We have undertaken diverse activities and initiatives that aim to benefit various segments of the society, contributing to their well-being and creating a sustainable and inclusive future.

The Company through its CSR policy has taken up at the various initiatives and activities across work centres and locations of the company, for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total (A)	No. of employees workers covered (B)	% (B/A)	Total (C)	No. of employees workers covered (D)	% (D/C)
Employees						
Permanent	1154	448	38.82%	946	283	29.91%
Other than permanent	Nil					
Total Employees	**1154**	**448**	**38.82%**	**946**	**283**	**29.91%**
Workers						
Permanent	Nil					
Other than permanent						
Total Employees						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1154	180	15.60%	974	84.40%	946	306	32.35%	640	67.65%
Male	1065	175	16.43%	890	83.57%	879	291	33.11%	588	66.89%
Female	89	5	5.62%	84	94.38%	67	15	22.39%	52	77.61%s
Other than permanent	Nil									
Male										
Female										
Workers										
Permanent	NA									
Male										
Female										
Other than permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (Rs. in Crores)	Number	Median remuneration/ salary/ wages of respective category (Rs. in Crores)
Board of Directors (BOD)	4	5.08	2	0.67
Key Managerial Personnel	1	0.37	1	0.13
Employees other than BOD and KMP	1063	0.04	87	0.03
Workers	0	-	0	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) - Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   The Company respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed.

   MFSL believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. The Company has a well-defined grievance redressal mechanism for its employees. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NA					
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the ERP system provided to all the employees.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes

9. Assessments for the year:

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. - NA

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   There have been no significant human rights grievances / complaints warranting modification / introduction of business processes

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   We are committed to ensuring full compliance with the Persons with Disabilities Act 2016, as we actively enhance our premises to provide optimal accessibility for all visitors, including differently abled

4. Details on assessment of value chain partners:

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by MFSL. No specific assessment in respect of value chain partners has been carried out.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   No corrective actions pertaining to Question 4 was necessitated by the Company during the year under review.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial year)	FY 2021-22 (Previous Financial year)
Total electricity consumption (A) (in gigajoules)	3724	2919
Total fuel consumption (B) (in gigajoules)	4539	3568
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C) (in gigajoules)	8262	6487
Energy intensity per rupee of turnover (Total Energy Consumption (GJ)/ Turnover in million INR)	0.87	0.99
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. – No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial year)	FY 2021-22 (Previous Financial year)
Water withdrawal by source (in kilolitres)	The usage of water is restricted to human consumption purposes only which is not accounted. Efforts have been made to ensure that water is consumed judiciously in the office/branch premises.	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per Lac of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. – No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial year)	FY 2021-22 (Previous Financial year)
Nox	Not Applicable		
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others– please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial year)	FY 2021-22 (Previous Financial year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	317	249
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	740	580
Total Scope 1 and Scope 2 emissions per Million of turnover	Metric tonnes of CO2 equivalent/million INR	0.11	0.13
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. – No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.0491	0.0351
E-waste (B)	0.849	0.630
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	**0.8981**	**0.6651**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**NA**	**NA**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	**NA**	**NA**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Company.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (yes / No)	Results communicated in public domain (yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, MFSL is in compliance with applicable environmental norms.				

Leadership Indicators*

Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. The Company has business continuity strategy and framework which is also compliant with applicable regulatory requirements. BCP envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis. The BCP includes Disaster Recovery procedures to quickly recover from an emergency.

*Given the nature of the business, certain points are not applicable to the Company and there has been no adverse impact to the environment.

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   Company is member of 5 trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/Associations	Reach of trade and industry chambers/ associations (State/National)
1	Finance Industry Development Council (FIDC)	National
2	Gujarat Finance Companies Association (GFCA)	National
3	Fintech Association for Consumer Empowerment (FACE)	National
4	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
5	Fintech Association for Consumer Empowerment (FACE)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

   N.A.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

   The Company actively participates in putting forward its views on the setting of new industry standards or regulatory developments pertaining to the NBFC sector. While making recommendations, MFSL attempts to balance the interest of various stakeholders.

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

   No project was required to be assessed for their impact during the year under the regulatory requirement. However, the Company uses social sector experts and independent professionals to conduct social and financial assessments of the projects.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement

   (R&R) is being undertaken by your entity, in the following format:

   N.A.

3. Describe the mechanisms to receive and redress grievances of the community.

   The company has the mechanism to receive and redress grievances of various stakeholders. One can register their query/ grievances on Companies website https://mfsl.co.in/Grievance/FrmGrievanceRequestForm.aspx?compId=1

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial year	FY 2021-22 Previous Financial year
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighboring districts	NA	NA

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

   Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

   None

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   (b) From which marginalized /vulnerable groups do you procure?

   (c) What percentage of total procurement (by value) does it constitute?

   Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

   Not Applicable

6. Details of beneficiaries of CSR Projects

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	MAS Arogya Abhiyan	150	100%
2	Shiksha Abhiyan	7,800 students	100%
3	MAS Menstrual Hygiene Programme	1,200 (on Quarterly basis)	100%
4	Grain Distribution	200	100%

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   Complaints received from customers with regard to their grievances/concerns are adressed under the Grievances Redressal Mechanism. Customer Relationship Management (CRM) address the complaints and requests raised by the customers through various channels like by calling the Centre/Branch; via sending e-mail or through the Company's official website. All the issues/requests raised by customers through various modes such as Call centre/Branch/Company's website/mails/ letters etc., are first entered into CRM Application and resolved as soon as possible. The details of the same are enumerated under the section of Customer's corner on the website of the Company.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All our loan products and Most Important Terms & Conditions are completely transparent and disclose all product related details.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial year)			FY 2021-22 (Previous Financial year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other	138	2	Nil	55	0	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. Yes https://mas.co.in/policy.aspx

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. - NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   www.mas.co.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   All Information related to products offered to customers are available at Company's website.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   During the year, there were no major disruptions of critical services. Owing to COVID-19 related disruptions, customers were intimated of the same through the call centres, electronic communications or through MFSL Group's website.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   None of the products withhold any relevant information needed by the customers to make informed decisions.

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact - None

   b. Percentage of data breaches involving personally identifiable information of customers - None

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone financial statements of MAS Financial Services Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2023, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of cash flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

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

BASIS FOR OPINION

We conducted our audit of the Standalone 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 Standalone 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 Standalone 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 opinion on the standalone financial statements.

EMPHASIS OF MATTER

Attention is invited to Note 32 to the Statement regarding the change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures in accordance with the applicable requirements of Ind AS.

Our opinion on the standalone financial statements is not modified in respect of the above matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** Charge: INR 3.26 Crores for the year ended 31st March, 2023 Provision: INR 103.46 Crores as at 31st March, 2023 Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance.

Sr. No.	Key Audit Matter	Auditor's Response
	• Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 19.36% of ECL balances as at 31 March 2023. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2	**Information Technology** **IT Systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the* applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried during the year by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system)

Sr. No.	Key Audit Matter	Auditor's Response
		o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our audit reports thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

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

- Obtain an understanding of internal control relevant to

the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books. The backup of the books of account and other books and papers maintained in electronic mode, has been maintained on a daily basis on servers physically located in India during the year.

c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2023 on its financial position in its Standalone financial statements.

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

iii. The Company is not required to transfer any amount 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

v. As stated in Note no. 21.2 of the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

(b) The interim dividend declared and paid by the company during the year and until the date of this report is in compliance with section 123 of the Companies Act, 2013.

(c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Companies Act, 2013.

vi. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the company only with effect from the financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVV4408

Place: Ahmedabad
Date: May 10, 2023

"Annexure A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   B. The Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a program of physical verification of its Property, Plant and Equipment so as to cover all the items of Property, Plant and Equipment in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of the immovable properties taken on lease and disclosed under "Right of use asset" in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.

   (d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

   (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Refer Note 47 to the standalone financial statements.

2. (a) The Company is a non-banking finance company ('NBFC') and does not hold any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

   (b) During the year, the company has availed sanctioned working capital limit in excess of Rs. 5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the company, the quarterly returns/ statements filed by the company with the said bank are materially in agreement with the books of accounts maintained by the company.

3. (a) Since the Company's principal business is to give loans. Accordingly, the reporting under clause 3(iii)(a) of the Order is not applicable to it.

   (b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

   (c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers 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 8.1 to the Standalone Financial Statements for summarised details of such loans/ advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

   (d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, 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 90 days. 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 8.1 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the reporting under clause 3(iii)(e) of the Order are not applicable to it.

(f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4. According to the information and explanations given to us and on the basis of examination of the records, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of Section 185 of the Act and has complied with the applicable provisions of Section 186 (1) of the Act.

5. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

7. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues.

(b) There were no material undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2023 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ in Crores]	Period to which the amount relates	Forum where dispute is pending
1	Income tax Act, 1961	Income Tax	0.12 [*]	AY 2017-2018	Deputy Commission of Income Tax (A)

[*] after adjusting the amount of refund claimed by the company amounting Rs. 0.33 Crore.

8. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9. According to the information and explanations given to us and on the basis of our examination of the books of account, we report that

(a) The Company has not defaulted in repayment of loans or borrowings or interest thereon from any financial institution, banks, government or due to debenture holders during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has utilised the money obtained by way of term loans from banks and other financial institutions during the year for the purposes for which they were obtained. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilisation.

(d) The funds raised on short term basis have not been utilized for the long-term purpose.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary company.

10. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) 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, reporting under clause 3(x)(b) of the Order is not applicable to the company.

11. (a) To the best of our knowledge and according to the information and explanations given to us, there

are 17 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to Rs. 1.89 Crore.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) According to the information and explanations given by management/Audit Committee, there were no whistle blower complaints received by the Company during the year.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, the company is in compliance with section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

14. (a) In our opinion and based on our examination, the Company is required to strengthen the internal audit function by expanding the scope and coverage to include Risk Based Internal Audit to commensurate the internal audit system with the size and nature of its business. Accordingly, the company has appointed an independent firm to conduct such audit.

(b) We have considered, during the course of our audit, the reports of the internal auditor issued till date for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the company.

16. According to the information and explanations given to us and based on the examination of the records of the Company, we report that

(a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per information provided in course of our audit, the group to which the Company belongs does not have CIC.

17. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

19. 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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.

20. (a) According to the information and explanations given to us, there are no unspent amount in respect of other than ongoing projects that are required to be transferred to a fund specified in Schedule VII to the Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report in compliance with provision of sub section (6) of section 135 of the Act. Relevant disclosures are made in Note 34 (c) of the Standalone financial statement of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVV4408

Place: Ahmedabad
Date: May 10, 2023

"Annexure B" to the Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MAS Financial Service Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVV4408

Place: Ahmedabad
Date: May 10, 2023

Standalone Balance Sheet

as at 31 March 2023

(₹ in Crores)

	Note no.	As at 31 March 2023	As at 31 March 2022 (Restated refer note 32)	As at 1 April 2021 (Restated refer note 32)
ASSETS				
Financial assets				
Cash and cash equivalents	5	237.86	270.58	965.06
Bank balance other than cash and cash equivalents	6	533.77	560.23	31.80
Trade receivables	7	4.27	1.00	2.21
Loans	8	5,910.16	4,553.80	3,805.14
Investments	9	826.12	538.06	235.03
Other financial assets	10	60.24	52.62	47.65
Total financial assets		**7,572.42**	**5,976.29**	**5,086.89**
Non-financial assets				
Income tax assets (net)	30	2.52	6.23	5.92
Deferred tax assets (net)	30	18.22	12.79	10.26
Property, plant and equipment	11(a)	13.95	12.39	10.81
Capital work-in-progress	11(c)	57.66	52.04	50.03
Right-of-use asset	11(d)	1.06	0.53	0.38
Intangible assets under development	11(e)	0.33	0.04	-
Other intangible assets	11(b)	1.03	0.22	0.09
Other non-financial assets	12	9.33	3.68	2.32
Total non-financial assets		**104.10**	**87.92**	**79.81**
Total assets		**7,676.52**	**6,064.21**	**5,166.70**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	13			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		11.51	14.12	6.56
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.84	1.55	1.01
Debt securities	14	627.26	362.03	314.12
Borrowings (other than debt securities)	15	4,957.56	3,732.73	2,919.75
Subordinated liabilities	16	252.70	137.22	59.97
Other financial liabilities	17	305.65	457.59	632.53
Total financial liabilities		**6,156.65**	**4,705.24**	**3,933.94**
Non-financial liabilities				
Current tax liabilities (net)	30	1.86	2.25	11.77
Provisions	18	9.48	7.16	3.96
Other non-financial liabilities	19	2.80	8.97	12.06
Total non-financial liabilities		**14.14**	**18.38**	**27.79**
Total liabilities		**6,170.79**	**4,723.62**	**3,961.73**
EQUITY				
Equity share capital	20	54.66	54.66	54.66
Other equity	21	1,451.07	1,285.93	1,150.31
Total equity		**1,505.73**	**1,340.59**	**1,204.97**
Total liabilities and equity		**7,676.52**	**6,064.21**	**5,166.70**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(₹ in Crores)

		Note no.	Year ended 31 March 2023	Year ended 31 March 2022 (Restated refer note 32)
I.	**Revenue from operations**			
	Interest income	22	806.57	561.11
	Gain on assignment of financial assets (Refer note 32)		68.04	63.87
	Fees and commission income		49.99	20.30
	Net gain on fair value changes	23	21.49	10.29
	Total revenue from operations		**946.09**	**655.57**
	Other income	24	3.00	1.51
	Total income		**949.09**	**657.08**
II.	**Expenses**			
	Finance costs	25	474.82	319.54
	Fees and commission expense		57.24	23.09
	Impairment on financial assets	26	53.00	34.10
	Employee benefits expenses	27	62.49	42.23
	Depreciation, amortization and impairment	28	2.40	1.78
	Others expenses	29	34.44	25.04
	Total expenses		**684.39**	**445.78**
	Profit before exceptional items and tax (I - II)		264.70	211.30
	Exceptional items		-	-
III.	**Profit before tax**		**264.70**	**211.30**
IV.	**Tax expense:**			
	Current tax	30	65.10	54.23
	Short / (excess) provision for tax relating to prior years	30	(2.47)	(0.50)
	Net current tax expense		**62.63**	**53.73**
	Deferred tax expense / (credit)	30	1.11	0.02
	Net tax expense		**63.74**	**53.75**
V.	**Profit for the year (III - IV)**		**200.96**	**157.55**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		0.06	(0.11)
	Income tax impact on above		(0.02)	0.03
	Total (A)		**0.04**	**(0.08)**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(26.05)	(10.01)
	Income tax impact on above		6.56	2.52
	Total (B)		**(19.49)**	**(7.49)**
	Other comprehensive income (A+B)		(19.45)	(7.57)
VII.	**Total comprehensive income (V + VI)**		**181.51**	**149.98**
VIII.	**Earnings per equity share (of ₹ 10 each):**	**31**		
	Basic (₹)		36.76	28.82
	Diluted (₹)		36.76	28.82

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Standalone Statement of Changes in Equity

for the year ended 31 march 2023

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2021	54.66
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2021	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2022	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**

(B) OTHER EQUITY

(₹ in Crores)

	Reserves and surplus			Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 31 March 2021	**173.92**	**426.87**	**396.36**	*	**120.76**	**1,117.91**
Impact due to changes in accounting policy	6.48	-	25.92	-	-	32.40
Restated balance at 1 April 2021 (Refer note 32)	**180.40**	**426.87**	**422.28**	*	**120.76**	**1,150.31**
Profit for the year	-	-	157.55	-	-	157.55
Re-measurement of defined benefit plans (net of taxes)	-	-	(0.08)	-	-	(0.08)
Other comprehensive income (net of taxes)	-	-	-	-	(6.82)	(6.82)
Final dividend on equity shares	-	-	(8.20)	-	-	(8.20)
Interim dividend on equity shares	-	-	(6.83)	-	-	(6.83)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	31.51	-	(31.51)	-	-	-
Restated balance at 31 March 2022 (Refer note 32)	**211.91**	**426.87**	**533.21**	*	**113.94**	**1,285.93**
Profit for the year	-	-	200.96	-	-	200.96
Re-measurement of defined benefit plans (net of taxes)	-	-	0.04	-	-	0.04
Other comprehensive income (net of taxes)	-	-	-	-	(16.45)	(16.45)
Final dividend on equity shares	-	-	(9.57)	-	-	(9.57)
Interim dividend on equity shares	-	-	(9.84)	-	-	(9.84)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	40.19	-	(40.19)	-	-	-
Balance at 31 March 2023	**252.10**	**426.87**	**674.61**	*	**97.49**	**1,451.07**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached
For Mukesh M Shah & Co.
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For and on behalf of the Board of Directors of
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Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Standalone Statement of Cash Flows

for the year ended 31 March 2023

(₹ in Crores)

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		264.70		211.30
	Adjustments for :				
	Depreciation and amortisation	2.40		1.78	
	Finance cost	474.82		319.54	
	Impairment on financial assets	53.00		34.10	
	(Profit) / loss on sale of property, plant and equipment	(0.10)		-	
	Interest income	(806.57)		(561.11)	
	Gain on assignment of financial assets	(68.04)		(63.87)	
	Net gain on fair value changes	(2.74)		(3.12)	
	Net gain on sale of investments measured at amortized cost	(1.35)		-	
	Financial guarantee commission income	(0.01)		(0.01)	
	Dividend income	(1.12)		(0.66)	
	Gain on derecognition of leased assets (31 March 2022: ₹ 7,364)	-		-	
			(349.71)		(273.35)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(85.01)**		**(62.05)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(1,340.37)		(716.44)	
	Trade receivables	(3.26)		1.21	
	Advances received against loan agreements	(6.38)		8.00	
	Bank balance other than cash and cash equivalents	0.57		(0.55)	
	Other financial asset	(7.44)		(4.69)	
	Other non-financial asset	(13.02)		(3.91)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payable and other payable	(2.19)		8.10	
	Other financial liabilities	(172.94)		(178.91)	
	Other non-financial liabilities	(6.17)		(3.07)	
	Provisions (also refer note 34)	2.01	(1,549.19)	3.72	(886.54)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,634.20)**		**(948.59)**
	Interest income received	701.70		516.43	
	Dividend received	1.12		0.66	
	Interest income on Investment measured at amortised cost	48.61		10.56	
	Finance cost paid	(463.37)	288.06	(335.59)	192.06
			(1,346.14)		**(756.53)**
	Income tax paid (net)		(59.31)		(63.55)
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(1,405.45)**		**(820.08)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(10.51)		(5.22)	
	Proceeds from sale of property, plant and equipments and intangible assets	0.24		-	
	Change in Earmarked balances with banks and other free deposit	25.89		(527.87)	
	Interest income from bank deposits	37.84		23.91	
	Purchase of investments	(2,824.51)		(1,192.11)	
	Redemption of investments	2,541.16		892.29	
	Net gain on sale of investments measured at amortized cost	1.35		-	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(228.54)**		**(809.00)**

Standalone Statement of Cash Flows (contd.)

for the year ended 31 March 2023

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from debt securities and borrowings	3,073.48		1,949.22	
	Repayments of debt securities and borrowings	(1,236.21)		(1,048.77)	
	Net increase / (decrease) in working capital borrowings	(216.37)		49.60	
	Repayment of lease liabilities	(0.22)		(0.42)	
	Dividends paid	(19.41)		(15.03)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,601.27**		**934.60**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(32.72)**		**(694.48)**
	Cash and cash equivalents at the beginning of the year		270.58		965.06
	Cash and cash equivalents at the end of the year (refer note 1 below)		**237.86**		**270.58**

Notes:

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
1.	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	0.14	0.10
	(b) Balances with banks	67.64	233.52
	Total	**67.78**	**233.62**
	(c) Bank deposits with original maturity of 3 months or less	170.08	36.96
	Cash and cash equivalents as per the balance sheet	**237.86**	**270.58**

2. The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3. The Company as at 31 March 2023 has undrawn borrowing facilities amounting to ₹ 1290.78 Crores that may be available for future operating activities and to settle capital commitments.

4. Change in liabilities arising from financing activities

	31 March 2022	Cash flows	Non-cash changes*	31 March 2023
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings (other than debt securities)	3,732.73	1,234.65	(9.82)	4,957.56
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,231.98**	**1,620.90**	**(15.36)**	**5,837.52**

	1 April 2021	Cash flows	Non-cash changes*	31 March 2022
Debt securities	314.12	50.00	(2.09)	362.03
Borrowings (other than debt securities)	2,919.75	820.06	(7.08)	3,732.73
Subordinated liabilities	59.97	80.00	(2.75)	137.22
Total liabilities from financing activities	**3,293.84**	**950.06**	**(11.92)**	**4,231.98**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
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Firm's Registration No: 106625W

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(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023

1. CORPORATE INFORMATION

MAS Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a systematically important non deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Enterprise loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Commercial Vehicle loans ("CV") and loans to NBFCs - to create the underlying assets of MEL, SME, TW and CV. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad-380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). Amounts in the standalone financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

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

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

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

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. For further details on provisions and other contingencies refer note 3.17.

v) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

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

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 40.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), transaction costs are added to or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost

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

ii) Financial assets measured at FVOCI

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

iii) Financial assets at FVTPL

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

iv) Equity investment in subsidiaries

The Company has accounted for its equity investments in subsidiaries at cost.

B. Financial liability

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

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

3.4 Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Company changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. It is a change in accounting policy which has been implemented with retrospective effect and being presented from the begining of the earliest period i.e. 1 April 2021. Refer note 32 for details.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by

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it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis for retail loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

For retail loans

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a

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collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding)
% LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

The Company calculates PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EADs are reviewed. While at every year end, LGDs and PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments

When estimating ECL for undrawn loan commitments, the Company estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Company monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical

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experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Company has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

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

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

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The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

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

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

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.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for

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by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated. All assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipments - 3 to 10 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

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.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present

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value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.16 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive

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obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.18 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

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3.19 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.21 Repossessed asset

In the normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.22 Security deposit

The security deposits received from the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Company uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

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5. CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash on hand	0.14	0.10	0.06
Balances with banks:			
In current / cash credit accounts	67.64	233.52	489.76
Bank deposits with original maturity of 3 months or less (refer note 1 below)	170.08	36.96	475.24
Total cash and cash equivalents	**237.86**	**270.58**	**965.06**

Notes:

1. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
In current accounts (refer note 1 below)	0.12	0.08	0.14
Earmarked balances with banks:			
Unclaimed dividend bank balances (refer note 2 below)	0.02	0.63	0.02
Unspent CSR bank balances	5.34	2.92	-
In fixed deposit accounts:			
Deposits given as security against borrowings and other commitments	22.74	27.46	21.63
Bank deposits with original maturity of more than 3 months (refer note 3 below)	505.55	529.14	10.01
Total bank balance other than cash and cash equivalents	**533.77**	**560.23**	**31.80**

Notes:

1. Balance represents balance with banks in earmarked account i.e. "collection and pay-out account".
2. Balance amounting to ₹ 0.61 crores was transferred to lien free "current account" after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility.

7. TRADE RECEIVABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Trade receivables considered good-secured	-	-	-
Trade receivables considered good-unsecured	4.27	1.00	2.21
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
Total trade receivables	**4.27**	**1.00**	**2.21**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous years: ₹ Nil).
2. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

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Trade Receivables ageing schedule as at 31 March 2023

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4.00	0.15	0.12	-	-	4.27
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	0.11	0.46	0.44	-	-	1.00
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 1 April 2021

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	2.21	-	-	-	-	2.21
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

8. LOANS

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(A) (I) Bills Receivables	82.38	-	82.38	40.89	-	40.89	-	-	-
(II) Term loans	-	5,828.31	5,828.31	-	4,513.22	4,513.22	-	3,805.14	3,805.14
Total (A)-Gross	**82.38**	**5,828.31**	**5,910.69**	**40.89**	**4,513.22**	**4,554.11**	**-**	**3,805.14**	**3,805.14**
Less: Impairment loss allowance	(0.53)	-	(0.53)	(0.31)	-	(0.31)	-	-	-
Total (A)-Net	**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.22**	**4,553.80**	**-**	**3,805.14**	**3,805.14**
(B) (i) Secured by tangible assets	82.38	4,300.77	4,383.15	40.89	3,280.92	3,321.81	-	2,730.25	2,730.25
(ii) Unsecured	-	1,527.54	1,527.54	-	1,232.31	1,232.31	-	1,074.88	1,074.88
Total (B)-Gross	**82.38**	**5,828.31**	**5,910.69**	**40.89**	**4,513.23**	**4,554.12**	**-**	**3,805.13**	**3,805.13**
Less: Impairment loss allowance	(0.53)	-	(0.53)	(0.31)	-	(0.31)	-	-	-
Total (B)-Net	**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.23**	**4,553.81**	**-**	**3,805.13**	**3,805.13**
(C) (I) Loans in India									
(i) Public sector	-	-	-	-	-	-	-	-	-
(ii) Private sector	82.38	5,828.31	5,910.69	40.89	4,513.22	4,554.11	-	3,805.14	3,805.14
Total (C)-Gross	**82.38**	**5,828.31**	**5,910.69**	**40.89**	**4,513.22**	**4,554.11**	**-**	**3,805.14**	**3,805.14**
Less: Impairment loss allowance	(0.53)	-	(0.53)	(0.31)	-	(0.31)	-	-	-
Total (C) (I) -Net	**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.22**	**4,553.80**	**-**	**3,805.14**	**3,805.14**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-	-	-	-
Total C(I) and C(II)	**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.22**	**4,553.80**	**-**	**3,805.14**	**3,805.14**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2023	% to the total Loans and Advances in the nature of loans	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 1 April 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. There are no loans outstanding to Companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

8.1 An analysis of changes in the gross carrying amount of loans is given below#

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,401.63**	**90.53**	**104.89**	**4,597.05**	**3,704.76**	**79.26**	**64.43**	**3,848.45**
Changes in opening credit exposures (net of repayment and excluding write off)	(3,193.32)	(31.31)	(39.35)	(3,263.98)	(2,661.14)	(21.85)	(23.25)	(2,706.24)
New assets originated (net of repayment)**	4,574.47	66.89	20.28	4,661.64	3,444.45	22.67	17.83	3,484.95
Transfers from Stage 1	(84.61)	33.04	51.57	-	(87.71)	35.72	51.99	-
Transfers from Stage 2	9.67	(47.84)	38.17	-	0.99	(25.25)	24.26	-
Transfers from Stage 3	0.38	-	(0.38)	-	0.28	*	(0.28)	-
Amounts written off	(0.17)	*	(42.48)	(42.65)	*	(0.02)	(30.09)	(30.11)
Gross carrying amount closing balance	**5,708.05**	**111.31**	**132.70**	**5,952.06**	**4,401.63**	**90.53**	**104.89**	**4,597.05**

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

* Represents amount less than ₹ 50,000

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Company had not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Company has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Company had continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**45.20**	**10.29**	**44.70**	**100.20**	**58.40**	**15.94**	**24.88**	**99.22**
Changes in opening credit exposures (net of repayment and excluding write off)	(11.69)	5.86	(10.21)	(16.04)	(21.87)	(2.47)	(1.50)	(25.84)
New assets originated (net of repayment)	24.71	12.93	6.75	44.39	33.88	2.10	9.27	45.24
Transfers from Stage 1	(27.92)	5.62	22.30	-	(25.22)	5.18	20.03	-
Transfers from Stage 2	0.05	(14.91)	14.86	-	0.02	(10.40)	10.38	-
Transfers from Stage 3	0.00	-	(0.00)	-	0.00	-	(0.00)	-
Amounts written off	(0.00)	(0.04)	(25.05)	(25.09)	(0.00)	(0.07)	(18.35)	(18.42)
ECL allowance - closing balance	**30.34**	**19.77**	**53.35**	**103.46**	**45.20**	**10.29**	**44.70**	**100.20**

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 42.65 crores at 31 March 2023 (31 March 2022: ₹ 30.11 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 44.

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Company's internal grades and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 44.1.

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grades								
Performing								
High quality assets	5,708.05	-	-	5,708.05	4,401.63	-	-	4,401.63
Quality assets	-	79.23	-	79.23	-	45.83	-	45.83
Standard assets	-	32.08	-	32.08	-	44.70	-	44.70
Non- performing								
Sub standard assets	-	-	44.99	44.99	-	-	50.88	50.88
Low quality assets	-	-	87.71	87.71	-	-	54.01	54.01
Total	**5,708.05**	**111.31**	**132.70**	**5,952.06**	**4,401.63**	**90.53**	**104.89**	**4,597.05**

9. INVESTMENTS

(₹ In Crores)

	As at 31 March 2023				As at 31 March 2022				As at 1 April 2021			
	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total
Investments in												
Alternative investment funds	-	38.97	-	38.97	-	35.57	-	35.57	-	20.30	-	20.30
Pass through certificates under securitization transactions	527.76	-	-	527.76	141.26	-	-	141.26	65.64	-	-	65.64
Market linked debentures	-	176.78	-	176.78	-	262.97	-	262.97	-	115.67	-	115.67
Non - convertible debentures	31.62	-	-	31.62	49.32	-	-	49.32	-	-	-	-
Mutual fund units	-	4.68	-	4.68	-	4.63	-	4.63	-	-	-	-
Subsidiary #	-	-	46.55	46.55	-	22.65	22.21	44.86	-	11.24	22.21	33.45
Total – Gross (A)	**559.38**	**220.43**	**46.55**	**826.36**	**190.58**	**325.82**	**22.21**	**538.61**	65.64	147.21	22.21	235.06
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	559.38	220.43	46.55	826.36	190.58	325.82	22.21	538.61	65.64	147.21	22.21	235.06
Total (B)	**559.38**	**220.43**	**46.55**	**826.36**	**190.58**	**325.82**	**22.21**	**538.61**	65.64	147.21	22.21	235.06
Less: Allowance for Impairment Loss (C)	(0.24)	-	-	(0.24)	(0.55)	-	-	(0.55)	(0.03)	-	-	(0.03)
Total – Net D= (A)-(C)	**559.14**	**220.43**	**46.55**	**826.12**	**190.03**	**325.82**	**22.21**	**538.06**	65.61	147.21	22.21	235.03

Investments in subsidiaries

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Investment in equity shares of subsidiaries	20.09	19.75	19.75
Investment in optionally convertible preference shares of subsidiary [*]	20.00	-	-
Investment in debt component of optionally convertible preference shares of subsidiary	-	13.11	6.33
Deemed investment in optionally convertible preference shares of subsidiary	4.00	9.53	4.92
Investment in subsidiary on account of:			
Corporate financial guarantee given to bank on behalf of subsidiary	2.39	2.39	2.39
Issuance of equity shares to the employees of subsidiary at discount	0.07	0.07	0.07
Total	**46.55**	**44.85**	**33.46**

[*] During the year, the terms of optionally convertible preference shares (OCPS) of subsidiary have been changed and the conversion ratio of OCPS into Equity shares of subsidiary have been fixed. Accordingly, the same has been considered as

"Equity investment in subsidiary" and is measured at cost.

10. OTHER FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Security deposits	1.02	0.87	0.69
Spread receivable on assigned portfolio	41.37	42.94	43.31
Interest accrued but not due on investments	2.43	0.67	0.02
Advances to dealers	7.63	8.14	-
Ex-gratia interest amount under GOI scheme (net of ECL)	-	-	3.63
Other Recievable	7.79	-	-
Total other financial assets	**60.24**	**52.62**	**47.65**

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Crores)

	Property, plant and equipment (a)					Intangible assets (b)	
Nature of assets	**Buildings**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Total**	**Software**	**Total**
Cost							
At 1 April 2021	**6.68**	**3.29**	**2.81**	**1.64**	**14.41**	**0.41**	**0.41**
Additions	-	1.16	0.55	1.22	2.93	0.19	0.19
Disposals	-	-	-	-	-	-	-
At 31 March 2022	**6.68**	**4.45**	**3.36**	**2.86**	**17.34**	**0.60**	**0.60**
Additions	-	1.44	1.20	0.95	3.59	1.04	1.04
Disposals	-	-	-	0.42	0.42	-	-
At 31 March 2023	**6.68**	**5.89**	**4.56**	**3.39**	**20.51**	**1.64**	**1.64**
Depreciation/Amortisation							
At 1 April 2021	**0.43**	**1.57**	**0.79**	**0.81**	**3.60**	**0.32**	**0.32**
Depreciation/amortization charge	0.11	0.65	0.29	0.30	1.35	0.06	0.06
Disposal	-	-	-	-	-	-	-
At 31 March 2022	**0.54**	**2.22**	**1.08**	**1.11**	**4.95**	**0.38**	**0.38**
Depreciation/amortization charge	0.11	0.87	0.50	0.41	1.89	0.23	0.23
Disposal	-	-	-	0.28	0.28	-	-
At 31 March 2023	**0.65**	**3.09**	**1.58**	**1.24**	**6.56**	**0.61**	**0.61**
Net block value:							
At 1 April 2021	6.25	1.72	2.02	0.83	10.81	0.09	0.09
At 31 March 2022	6.14	2.23	2.28	1.75	12.39	0.22	0.22
At 31 March 2023	**6.03**	**2.80**	**2.98**	**2.15**	**13.95**	**1.03**	**1.03**

Note: No revaluation of any class of asset is carried out during the year.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

(c) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.24 crores (31 March 2022: ₹ 1.46 crores and 1 April 2021: ₹ 1.81 crores). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.91% for the year ended 31 March 2023.

Capital work-in-progress	
At 1 April 2021	**50.03**
Additions	2.01
Disposals	-
At 31 March 2022	**52.04**
Additions	5.62
Disposals	-
At 31 March 2023	**57.66**

Capital work in progress aging schedule

(₹ In Crores)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.21	57.66
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	2.02	1.81	2.57	45.64	52.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	1.81	2.57	0.34	45.31	50.03
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Crores)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66
As at 31 March 2022					
MAS headquarters	-	-	-	51.94	51.94
As at 1 April 2021					
MAS headquarters	-	-	-	50.03	50.03

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

(d) Right-of-use asset

The details of the right-of-use asset held by the Company is as follows:

(₹ In Crores)

Office Premises	
At 1 April 2021	1.96
Additions	0.53
Disposals	0.01
At 31 March 2022	**2.48**
Additions	0.80
Disposals	-
At 31 March 2023	**3.28**
Depreciation	
At 1 April 2021	**1.58**
Additions	0.37
Disposals	-
At 31 March 2022	**1.95**
Additions	0.27
Disposals	-
At 31 March 2023	**2.22**
Net Block Value:	
At 1 April 2021	0.38
At 31 March 2022	0.53
At 31 March 2023	**1.06**

(e) Intangible assets under development

Intangible assets under development	
At 1 April 2021	**-**
Additions	0.04
Disposals	-
At 31 March 2022	**0.04**
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**

Intangible assets under development aging schedule

(₹ In Crores)

	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	0.04	-	-	-	0.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

12. OTHER NON-FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Prepaid expenses	4.44	1.36	0.08
Advances to employees	0.11	0.14	0.16
Re-possessed assets	3.54	1.78	1.78
Capital advances	0.02	0.05	-
Gratuity fund [Refer note 41(b)]	0.54	-	-
Other advances	0.68	0.35	0.30
Total	**9.33**	**3.68**	**2.32**

13. PAYABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.51	14.12	6.56
(b) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.84	1.55	1.01
Total	**13.48**	**15.67**	**7.57**

Trade Payables aging schedule

(₹ In Crores)

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	
As at 31 March 2023					
(i) MSME	0.13	-	-	-	0.13
(ii) Others	11.50	-	0.01	-	11.51
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	12.10	1.79	0.22	0.01	14.12
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 1 April 2021					
(i) MSME	-	-	-	-	-
(ii) Others	6.28	0.27	-	0.01	6.56
(iii) Disputed dues – MSME	.	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a)	Dues remaining unpaid to any supplier at the year end			
	- Principal	0.13	-	-
	- Interest on above	-	-	-
(b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year			
	- Principal paid beyond the appointed date	-	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
(d)	Amount of interest accrued and remaining unpaid	-	-	-
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-	-

14. DEBT SECURITIES (AT AMORTISED COST) (REFER NOTE 14.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured non-convertible debentures	31.25	-	250.00
Secured Market Linked debenture	600.00	365.00	65.00
Less: Unamortised borrowing costs	(3.99)	(2.97)	(0.88)
Total	**627.26**	**362.03**	**314.12**
Debt securities in India	627.26	362.03	314.12
Debt securities outside India	-	-	-
Total	**627.26**	**362.03**	**314.12**

14.1 Details of terms of redemption/repayment in respect of debt securities:

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Debentures					
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	31.25	-	-	Coupon Rate: Benchmark+173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the t enorTenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures Of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
500, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures Of ₹ 10,00,000 each	-	-	50.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures Of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	65.00	65.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	**365.00**	**315.00**		

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Term loans (refer note 15.1)			
(i) from banks	3,001.62	1,830.86	1,107.53
(ii) from other parties (financial institutions)	678.40	348.11	351.02
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	0.01	255.87	343.24
(c) Short term loans from banks (Refer note below)	1,304.43	1,264.94	1,127.96
(d) Borrowing under securitisation	-	50.03	-
Less: Unamortised borrowing costs	(26.90)	(17.08)	(10.00)
Total	**4,957.56**	**3,732.73**	**2,919.75**
Secured	4,957.56	3,707.90	2,894.96
Unsecured	-	24.83	24.79
Total	**4,957.56**	**3,732.73**	**2,919.75**
Borrowings in India	4,957.56	3,732.73	2,919.75
Borrowings outside India	-	-	-
Total	**4,957.56**	**3,732.73**	**2,919.75**

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 7.45 % p.a. to 11.55 % p.a. as at 31 March 2023.

Interest rate ranges from 2.90% p.a. to 11.00% p.a. as at 31 March 2022.

Interest rate ranges from 7.65% p.a. to 12.00% p.a. as at 1 April 2021.

The Company has not defaulted in repayment of borrowings and interest.

The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts of the Company.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 6291.38 crores (31 March 2022: ₹ 4,562.37 crores, 1 April 2021: ₹ 3,825.80 crores).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)					
Term Loan - 1	8.00	16.00	24.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	58.33	91.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	-	-	0.01	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	43.95	63.99	80.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	105.00	135.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	133.33	200.00	-	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

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Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 7	83.33	35.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	70.03	94.98	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 9	27.27	54.55	75.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 10	36.36	50.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 11	-	-	6.26	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 12	-	-	7.79	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 13	12.24	15.81	19.14	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	-	7.29	19.58	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 15	-	2.69	5.23	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 16	-	10.77	20.90	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 17	-	4.49	8.71	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 18	2.58	5.00	7.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 19	10.32	20.00	30.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 20	4.30	8.33	12.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 21	3.40	5.83	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 22	13.60	23.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 23	5.67	9.72	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 24	4.45	6.88	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .

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Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 25	17.80	27.50	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 26	7.42	11.46	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 27	-	-	2.08	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Company's book debts and loan installments receivables.
Term Loan - 28	13.33	26.67	40.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 29	-	-	45.83	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Company.
Term Loan - 30	-	-	25.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	-	18.25	72.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 32	50.11	77.85	100.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	77.78	100.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	40.00	50.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	24.98	41.66	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	-	1.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	-	4.17	12.50	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 38	-	7.50	37.50	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

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Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 39	-	7.35	48.80	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	6.50	26.00	52.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 41	25.50	76.50	127.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	10.00	15.00	20.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	65.99	110.44	154.90	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	63.16	84.21	50.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	-	0.04	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.
Term Loan - 46	225.00	285.00	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 47	84.62	-	-	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 48	127.50	-	-	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 49	200.00	-	-	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 50	41.66	-	-	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of company.

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Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 51	25.00	-	-	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 52	75.00	-	-	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 53	33.60	-	-	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 54	83.55	-	-	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 55	50.00	-	-	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 56	87.50	-	-	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 57	142.50	-	-	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 58	93.75	-	-	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 59	150.00	-	-	Repayable in 20 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 60	75.00	-	-	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 61	380.00	-	-	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 62	30.00	-	-	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the company
Term Loan - 63	29.71	-	-	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 64	18.33	-	-	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 65	24.17	-	-	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Company
Total term loans from banks	**3,001.62**	**1,830.86**	**1,107.53**		

Note (i):

Interest rate ranges from 8.65% p.a. to 10.35% p.a. as at 31 March 2023.

Interest rate ranges from 8.00% p.a. to 9.20 % p.a. as at 31 March 2022.

Interest rate ranges from 8.00% p.a. to 10.75% p.a. as at 1 April 2021.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from others (Refer note ii)					
Term Loans from a Financial Institution - 1	-	-	10.54	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Company.
Term Loans from a Financial Institution - 2	-	-	17.06	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	-	5.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	-	16.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 5	-	7.64	15.97	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 6	8.50	19.83	31.17	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 7	5.33	10.67	16.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 8	25.00	25.00	25.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	25.00	41.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	-	13.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	-	83.30	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	-	0.63	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	120.00	160.00	200.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Term Loans from a Financial Institution - 14	33.33	-	-	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the company

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Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 15	62.08	-	-	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 16	50.00	-	-	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 17	135.00	-	-	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 18	129.10	-	-	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 19	85.05	-	-	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
Total term loans from others	**678.40**	**348.11**	**351.02**		

Note (ii):
Interest rate ranges from 7.50% p.a. to 11.50% p.a. as at 31 March 2023.
Interest rate ranges from 5.75% p.a. to 10.00 % p.a. as at 31 March 2022.
Interest rate ranges from 6.32% p.a. to 11.15% p.a. as at 1 April 2021.

Note: The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to Nil as at 31 March 2023 (₹ 50.03 crores as at 31 March 2022 and Nil as at 1 April 2021).

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Unsecured debentures (refer note 16.1)	260.00	140.00	60.00
Less: Unamortised borrowing costs	(7.30)	(2.78)	(0.03)
Total	**252.70**	**137.22**	**59.97**
Subordinated liabilities in India	252.70	137.22	59.97
Subordinated liabilities outside India	-	-	-
Total	**252.70**	**137.22**	**59.97**

16.1 Details of terms of repayment in respect of subordinated liabilities:

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Subordinated liabilities					
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	40.00	40.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	-	20.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	25.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	35.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
Total subordinated liabilities	**260.00**	**140.00**	**60.00**		

17. OTHER FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Interest accrued but not due on borrowings	70.36	29.36	21.99
Interest accrued but not due on others	-	14.19	25.70
Dues to the assignees towards collections from assigned receivables	211.29	127.66	261.85
Security deposits received from borrowers	-	274.21	318.73
Advances received against loan agreements	1.62	8.00	-
Unpaid dividend on equity shares (Refer note below)	0.02	0.02	0.02
Dealer advances	5.13	2.29	2.67
Lease liability	1.14	0.57	0.46
Provision for Interest on Interest waiver	-	-	0.79
Other payable	16.09	1.29	0.32
Total other financial liabilities	**305.65**	**457.59**	**632.53**

Note:

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

18. PROVISIONS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for employee benefits (Refer note 41)			
Compensated absences	0.16	0.17	0.07
Gratuity	-	0.08	0.05
Provision for unspent CSR liability	9.32	6.91	3.84
Total provisions	**9.48**	**7.16**	**3.96**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Statutory remittances	1.78	1.31	2.37
Financial guarantee liability	0.01	0.02	0.03
Income received in advance	1.01	7.64	9.66
Total other non-financial liabilities	**2.80**	**8.97**	**12.06**

20. EQUITY SHARE CAPITAL

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Authorized shares:			
6,40,00,000 : Equity Shares of ₹ 10 each (As at 31 March 2022: 6,40,00,000 Equity Shares of ₹ 10 each) (As at 1 April 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	64.00	64.00	64.00
2,20,00,000 : 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2022: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
2,20,00,000 : 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each(As at 31 March 2022: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
400 : 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2022: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each) (As at 1 March 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	4.00	4.00	4.00
	112.00	**112.00**	**112.00**
Issued, subscribed and fully paid-up shares:			
5,46,62,043 : Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2022: 5,46,62,043 Equity Shares of ₹ 10 each) (As at 1 April 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	54.66	54.66	54.66
	54.66	**54.66**	**54.66**

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

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	54.66	5,46,62,043	54.66
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,46,62,043**	**54.66**	**5,46,62,043**	**54.66**

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

20.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares						
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	26,70,920	4.89%	27,52,094	5.03%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 The Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms / rights attached to 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 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 case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20.5 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	Shares held by promoters at 31 March 2023		Shares held by promoters at 31 March 2022		Shares held by promoters at 1 April 2021		% Change during the current year (22-23)
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of Shares	% of total shares	
Equity shares							
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer above above)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%	0.57%
Prarthana Marketing Private Limited	13,17,557	2.41%	13,12,557	2.40%	13,10,057	2.40%	0.38%
Anamaya Capital Llp	99,994	0.18%	94,994	0.17%	94,994	0.17%	5.26%
Dhvanil K. Gandhi	35,277	0.06%	34,619	0.06%	34,619	0.06%	1.90%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	12,054	0.02%	0.00%

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Reserve u/s. 45-IC of RBI Act, 1934		
Outstanding at the beginning of the year	211.91	180.40
Additions during the year	40.19	31.51
Outstanding at the end of the year	252.10	211.91
Securities premium		

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning of the year	426.87	426.87
Additions during the year	-	-
Outstanding at the end of the year	426.87	426.87
Retained earnings		
Outstanding at the beginning of the year	533.21	422.28
Profit for the year	200.96	157.55
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	0.04	(0.08)
	734.21	579.75
Appropriations:		
Transfer to reserve u/s. 45-IC of RBI Act,1934	(40.19)	(31.51)
Final dividend on equity shares (Refer note 21.2)	(9.57)	(8.20)
Interim dividend on equity shares (Refer note 21.2)	(9.84)	(6.83)
Total appropriations	**(59.60)**	**(46.54)**
Retained earnings	**674.61**	**533.21**
Other comprehensive income		
Outstanding at the beginning of the year	113.94	120.76
Loans and advances fair valued through other comprehensive Income	(26.05)	(10.01)
Impairment on loans and advances through OCI	3.04	0.67
Income tax relating to items that will be reclassified to profit or loss	6.56	2.52
Other comprehensive income for the year, net of tax	97.49	113.94
Total other equity	**1,451.07**	**1,285.93**

21.1 Nature and purpose of reserve

1. Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")
   Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2. Securities premium
   Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3. Retained earnings
   Retained earnings is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

   The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

   i) actuarial gains and losses;

   ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

   iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

4. Other comprehensive income
   On equity investments

   The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiary) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

On loans

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loans and advances are sold. Further, impairment loss allowances on the loans are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	9.57	8.20
Interim dividend for 31 March 2023: ₹ 1.80 per share (31 March 2022 : ₹ 1.25 per share)	9.84	6.83
Total dividends paid	**19.41**	**15.03**

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	**10.11**	**9.57**

22. INTEREST INCOME

(₹ In Crores)

	Year ended 31 March 2023				Year ended 31 March 2022			
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	691.25	5.53	-	696.78	512.44	0.36	-	512.80
Interest income from investments	-	50.37	1.35	51.72	-	11.21	1.14	12.35
Interest on deposits with banks	-	37.84	-	37.84	-	23.91	-	23.91
Other interest income	3.69	16.54	-	20.23	2.93	9.12	-	12.05
Total	**694.94**	**110.28**	**1.35**	**806.57**	**515.37**	**44.60**	**1.14**	**561.11**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on financial instruments at fair value through profit or loss - investments	21.49	10.29
Fair value changes:		
- Realised	18.75	7.16
- Unrealised	2.74	3.13
Total	**21.49**	**10.29**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

24. OTHER INCOME

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Rental income	0.10	0.10
Net gain/(loss) on derecognition of property, plant and equipment	0.10	-
Dividend income	1.12	0.66
Net gain on sale of investments measured at amortized cost	1.35	0.23
Gain on derecognition of leased asset (31 March 2022: ₹ 7,364)	-	-
Income from non-financing activity	0.33	0.52
Total	**3.00**	**1.51**

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on debt securities	51.76	38.88
Interest on borrowings	348.21	224.18
Interest on subordinated liabilities	14.70	10.20
Other interest expense	35.84	29.54
Other borrowing cost	24.22	16.70
Lease liability interest obligation	0.09	0.04
Total	**474.82**	**319.54**

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	3.04	0.67
- Expected credit loss (On financial instruments measured at amortised cost)	0.22	0.31
- Write off (net of recoveries)	42.65	30.11
- Loss on sale of repossessed assets	7.40	2.48
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	(0.31)	0.53
Total	**53.00**	**34.10**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	57.74	39.73
Contribution to provident fund and other funds (Refer note 41 (a))	1.87	1.54
Gratuity expense (Refer note 41 (b))	0.66	0.48
Staff welfare expenses	2.22	0.48
Total	**62.49**	**42.23**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	1.90	1.35
Amortisation of intangible assets	0.23	0.06
Depreciation on Right-of-use asset	0.27	0.37
Total	**2.40**	**1.78**

29. OTHER EXPENSES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	3.25	2.24
Rates and taxes	0.19	0.15
Stationery and printing	0.90	0.63
Telephone	0.60	0.54
Electricity	0.97	0.69
Postage and courier	0.97	0.72
Insurance	0.89	0.73
Conveyance	1.25	1.00
Travelling	2.90	1.62
Repairs and maintenance:		
Building	0.58	0.20
Others	1.15	1.40
Professional fees	8.63	5.18
Payment to auditors (Refer note below)	0.46	0.51
Directors' sitting fees	0.10	0.09
Legal expenses	1.86	0.56
Bank charges	1.46	1.40
Advertisement expenses	0.99	0.68
Sales promotion expenses	0.44	0.09
Recovery contract charges	0.11	0.14
Corporate social responsibility expenditure (Refer note 34)	4.26	4.41
Miscellaneous expenses	2.48	2.06
Total	**34.44**	**25.04**
Note: Payment to auditors		
As auditor:		
Statutory audit	0.20	0.18
Limited review of quarterly results	0.26	0.24
Other services	*	0.07
Reimbursements of expenses	-	0.02
	0.46	**0.51**

* Represents amount less than ₹ 50,000

30. TAX EXPENSES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	65.10	54.23
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.50)
Deferred tax	1.11	0.02
Total tax charge	**63.74**	**53.75**
Current tax	62.63	53.73
Deferred tax	**1.11**	**0.02**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 31 March 2022 is, as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax	264.70	211.30
Applicable tax rate	25.17%	25.17%
Computed tax expense	66.62	53.18
Tax effect of:		
Exempted income	(0.30)	(0.21)
Non deductible items	1.24	1.97
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.50)
Others	(1.35)	(0.69)
Tax expenses recognised in the statement of profit and loss	**63.74**	**53.75**
Effective tax rate	24.08%	25.44%

30.2 Deferred tax

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	12.79	10.26
Credit / (charge) for loans and advances through OCI	6.56	2.52
Credit / (charge) for remeasurement of the defined benefit liabilities	(0.02)	0.03
Credit / (charge) to the statement of profit and loss	(1.11)	(0.02)
At the end of year DTA / (DTL) (net)	**18.22**	**12.79**

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

(₹ In Crores)

	As at 1 April 2022	Statement of profit and loss	OCI	As at 31 March 2023
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.44)	(0.07)	-	(0.51)
Deferred tax on fair value of investments	(0.02)	-	-	(0.02)
Impact of fair value of assets	(1.06)	-	6.56	5.50
Income taxable on realised basis	(10.82)	2.14	-	(8.68)
Deferred tax on prepaid finance charges	(0.29)	(3.80)	-	(4.09)
Impairment on financial assets	25.35	0.75	-	26.10
Recognition of lease liability and right to use asset	0.01	0.01	-	0.02
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**12.79**	**(1.11)**	**6.54**	**18.22**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	As at 1 April 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.38)	(0.06)	-	(0.44)
Deferred tax on fair value of investments	(0.02)	-	-	(0.02)
Impact of fair value of assets	(3.58)	-	2.52	(1.06)
Income taxable on realised basis	(10.84)	0.02	-	(10.82)
Deferred tax on prepaid finance charges	(0.01)	(0.28)	-	(0.29)
Impairment on financial assets	24.98	0.37	-	25.35
Recognition of lease liability and right to use asset	0.02	(0.01)	-	0.01
Expenses allowable on payment basis	0.09	(0.06)	0.03	0.06
Total	**10.26**	**(0.02)**	**2.55**	**12.79**

30.3 Current tax liabilities

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for tax [net of advance tax of ₹ 63.24 crores (31 March 2022: ₹ 51.98 crores and 1 April 2021: ₹ 46.33 crores)]	1.86	2.25	11.77

30.4 Income tax assets

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Income tax assets [net of provision for tax of ₹ 251.86 crores (31 March 2022: ₹ 281.04 crores and 1 April 2021: ₹ 222.94 crores)]	2.52	6.23	5.92

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to equity shareholders (basic)	**200.96**	**157.55**
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	36.76	28.82

(B) Diluted earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to equity shareholders (diluted)	**200.96**	**157.55**
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	36.76	28.82

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

32. CHANGES IN ACCOUNTING POLICIES

The accounting policies and practices followed in the preparation of the standalone financial statements for the year ended 31 March 2023 are the same as those followed in the preparation of the standalone financial statements for the year ended 31 March 2022, except for the change in accounting policy as explained in below paras.

Till 31st December 2022, gain on assignment of financial asset was recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and was amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. Such policy was adopted by the management for more prudent and fair presentation of financial statements by exercising their judgement under para 19 of Ind AS 1 "Presentation of financial statements". During the quarter ended 31 March 2023, the Company has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio.

The new accounting policy has been implemented retrospectively and being presented from the beginning of the earliest period i.e. 1 April 2021. On account of new policy, in case of derecognition of loans upon assignment prior to 1 April 2021, where underlying residual terms of the assigned portfolio was falling on or after 1 April 2021, the Company has increased other equity by ₹ 32.40 crores, decreased the deferred tax assets by ₹ 10.91 crores and decreased unearned income on assigned loans under the head other non-financial liabilities of ₹ 43.31 crores.

Had the Company not revised its policy, the other equity would have decreased by ₹ 30.95 crores, deferred tax assets would have increased by ₹ 10.42 crores, liability on unearned income would have increased by ₹ 41.37 crores as at 31 March 2023 and the gain on assignment (on amortised basis) would have been ₹ 69.60 Crore for the year ended 31 March 2023. As per the new policy, the Company has recognized gain on assignment of ₹ 68.04 crores for the year ended 31 March 2023. Accordingly, gain on assignment would have increased by ₹ 1.56 crores and deferred tax expense would have increased by ₹ 0.39 crores for the year ended 31 March 2023.

As per the requirement of Ind AS 8, the Company has restated the financial information of previous financial year 2021-22 to reflect the change in accounting policy as explained above. The following table summarises the reconciliation of figures restated with previously reported figures. The tables show the adjustments recognised for each individual line item.

32. Changes in accounting policies (Contd.)

(₹ In Crores)

Standalone Balance Sheet	31 March 2022 as originally presented*	Adjustment	31 March 2022 (Restated)	31 March 2021 as originally presented*	Adjustment	1 April 2021 (Restated)
ASSETS						
Financial assets						
Cash and cash equivalents	270.58	-	270.58	965.06	-	965.06
Bank balance other than cash and cash equivalents	560.23	-	560.23	31.80	-	31.80
Trade receivables	1.00		1.00	2.21		2.21
Loans	4,553.80	-	4,553.80	3,805.14	-	3,805.14
Investments	538.06	-	538.06	235.03	-	235.03
Other financial assets	52.62	-	52.62	47.65	-	47.65
Total financial assets	**5,976.29**	**-**	**5,976.29**	**5,086.89**	**-**	**5,086.89**
Non-financial assets						
Income tax assets (net)	6.23	-	6.23	5.92	-	5.92
Deferred tax assets (net)	23.60	(10.81)	12.79	21.17	(10.91)	10.26
Property, plant and equipment	12.39	-	12.39	10.81	-	10.81
Capital work-in-progress	52.04	-	52.04	50.03	-	50.03
Right-of-use asset	0.53	-	0.53	0.38	-	0.38
Intangible assets under development	0.04		0.04	-	-	-
Other intangible assets	0.22	-	0.22	0.09	-	0.09
Other non-financial assets	3.68	-	3.68	2.32	-	2.32
Total non-financial assets	**98.73**	**(10.81)**	**87.92**	**90.72**	**(10.91)**	
Total assets	**6,075.02**	**(10.81)**	**6,064.21**	**5,177.61**	**(10.91)**	**5,086.89**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

LIABILITIES AND EQUITY					
LIABILITIES					
Financial liabilities					
Payables					
(I) Trade payables	14.12	-	14.12	6.56	-	6.56
(II) Other payables	1.55	-	1.55	1.01	-	1.01
Debt securities	362.03	-	362.03	314.12	-	314.12
Borrowings (other than debt securities)	3,732.73	-	3,732.73	2,919.75	-	2,919.75
Subordinated liabilities	137.22	-	137.22	59.97	-	59.97
Other financial liabilities	457.59	-	457.59	632.53	-	632.53
Total financial liabilities	**4,705.24**	**-**	**4,705.24**	**3,933.94**	**-**	**3,933.94**
Non-financial liabilities					
Current tax liabilities (net)	2.25	-	2.25	11.77	-	11.77
Provisions	7.16	-	7.16	3.96	-	3.96
Other non-financial liabilities	51.91	(42.94)	8.97	55.37	(43.31)	12.06
Total non-financial liabilities	**61.32**	**(42.94)**	**18.38**	**71.10**	**(43.31)**	**27.79**
Total liabilities	**4,766.56**	**(42.94)**	**4,723.62**	**4,005.04**	**(43.31)**	**3,961.73**
Equity share capital	54.66	-	54.66	54.66	-	54.66
Other equity	1,253.80	32.13	1,285.93	1,117.91	32.40	1,150.31
Total equity	**1,308.46**	**32.13**	**1,340.59**	**1,172.57**	**32.40**	**1,204.97**
Total liabilities and equity	**6,075.02**	**(10.81)**	**6,064.21**	**5,177.61**	**(10.91)**	**5,166.70**

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

(₹ In Crores)

	Standalone statement of profit and loss	**31 March 2022**		
		As originally presented*	**Adjustment**	**Restated**
I.	**Revenue from operations**			
	Interest income	561.11	-	561.11
	Gain on assignment of financial assets	64.23	(0.36)	63.87
	Fees and commission income	20.30	-	20.30
	Net gain on fair value changes	10.29	-	10.29
	Total revenue from operations	**655.93**	**(0.36)**	**655.57**
	Other income	1.51	-	1.51
	Total income	**657.44**	**(0.36)**	**657.08**
II.	**Expenses**			
	Finance costs	319.54	-	319.54
	Fees and commission expense	23.09	-	23.09
	Impairment on financial assets	34.10	-	34.10
	Employee benefits expenses	42.23	-	42.23
	Depreciation and amortization	1.78	-	1.78
	Others expenses	25.04	-	25.04
	Total expenses	**445.78**	**-**	**445.78**
	Profit before exceptional items and tax (I - II)	**211.66**	**(0.36)**	**211.30**
	Exceptional items	-	-	-
III.	**Profit before tax**	**211.66**	**(0.36)**	**211.30**
IV.	**Tax expense:**			
	Current tax	54.23	-	54.23
	Excess provision for tax relating to prior years	(0.50)	-	(0.50)
	Net current tax expense	**53.73**	**-**	**53.73**
	Deferred tax (credit) / charge	0.11	(0.09)	0.02
	Net tax expense	**53.84**	**(0.09)**	**53.75**
V.	**Profit for the year (III - IV)**	**157.82**	**(0.27)**	**157.55**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities	(0.11)	-	(0.11)
	Income tax impact on above	0.03	-	0.03
	Total (A)	(0.08)	-	(0.08)
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income	(10.01)	-	(10.01)
	Income tax impact on above	2.52	-	2.52
	Total (B)	(7.49)	-	(7.49)
	Other comprehensive income (A+B)	**(7.57)**	**-**	**(7.57)**
VII.	**Total comprehensive income for the year (V + VI)**	**150.25**	**(0.27)**	**149.98**
VIII.	**Earnings per equity share (of ₹ 10 each):**			
	Basic (₹)	28.87	(0.05)	28.82
	Diluted (₹)	28.87	(0.05)	28.82

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(A)	**Contingent liabilities**			
I)	In respect of disputed income-tax matters : (Refer note i)	0.12	-	-
II)	Guarantees given on behalf of subsidiary company: (Refer note ii)			
	a) To banks			
	Amount of guarantees ₹ Nil (31 March 2022: Nil and 1 April 2021: ₹ 10 crores)			
	Amount of loans outstanding	-	-	1.07
	b) To National Housing Bank ("NHB")			
	Amount of guarantees ₹ 5 crores (31 March 2022: ₹ 5 crores and 1 April 2021: ₹ 5 crores)			
	Amount of loan outstanding	0.79	1.11	1.44
(B)	**Commitments**			
I)	Estimated amount of contracts remaining to be executed on capital account and not provided for:			
	Property, plant & equipment and Capital work in progress	1.39	1.38	-
II)	Loan commitments for sanctioned but not disbursed amount	-	**45.00**	**1.35**

Notes:

i) After adjusting the amount of refund claimed by the company amounting ₹ 0.33 Crore.

ii) Guarantees have been given by the Company to various banks and NHB on behalf of the subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Company for the last three financial years was ₹ 213.01 crores, basis which the Company was required to spend ₹ 4.26 crores towards CSR activities for the current financial year (31 March 2021: ₹ 4.41 crores).

a) Amount spent during the year on:

(₹ In Crores)

Particulars	31 March 2023			31 March 2022		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	0.28	3.98	4.26	0.42	3.99	4.41

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of on-going projects

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2022-23	-	6.91	4.26	0.28	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2020-21	Nil	N.A.	4.18	0.34	-	3.84	-

Note: Unspent CSR amount of ₹ 3.84 crores and ₹ 3.99 crores for FY 2020-21 and FY 2021-22 respectively was deposited in unspent CSR bank account on 28 April 2021 and 25 April 2022 respectively. Unspent amount of ₹ 3.98 crores available with the Company is transferred to an unspent CSR account on 27 April 2023

d) **Reason for shortfall:** The Company has on-going projects and it is spending the said amount as per pre-approved on-going projects. For more details, refer annexure of Director's report on CSR.

e) **Nature of CSR activities:** Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35. SEGMENT REPORTING:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and Managing Director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole Time Director and Chief Financial Officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and Chief Executive Officer)
		Mr. Balabhaskaran Nair (Independent Director)
		Mr. Umesh Shah (Independent Director)
		Mr. Chetanbhai Shah (Independent Director)
		Mrs. Daksha Shah (Independent Director)
3	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (Relative of KMP)
		Mr. Dhvanil K. Gandhi (Relative of KMP)
		Mr. Saumil D. Pandya (Relative of KMP)
		Ms. Dhriti K. Gandhi (Relative of KMP)
		Umesh Rajanikant Shah HUF (Relative of KMP)
		Pauravi Umesh Shah (Relative of KMP)

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Transactions with related parties are as follows:

(₹ In Crores)

	Year ended 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	0.10	-	-	0.10
Net recovery charges received	0.02	-	-	0.02
Expenditure reimbursed	0.00	-	-	0.00
Remittances of collection received on behalf of	0.10	-	-	0.10
Cross Charges Payment for professional services	0.13	-	-	0.13
Remuneration (including bonus)	-	5.74	0.95	6.69
Dividend received	1.12	-	-	1.12
Dividend paid	-	7.19	5.69	12.88
Investment	0.35	-	-	0.35
Sitting fees	-	0.09	-	0.09

(₹ In Crores)

	Year ended 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	0.10	-	-	0.10
Recovery contract charges received	0.03	-	-	0.03
Expenditure reimbursed	9.80	-	-	9.80
Remittances of collection received on behalf of	0.60	-	-	0.60
Remuneration (including bonus)	-	4.15	0.79	4.94
Dividend received	0.66	-	-	0.66
Dividend paid	-	6.18	4.90	11.08
Investment	10.00	-	-	10.00
Sitting fees	-	0.08	-	0.08

Balances outstanding from related parties are as follows:

(₹ In Crores)

	As at 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.31	0.03	0.34
Investment	46.55	-	-	46.55
Guarantees outstanding	0.79	-	-	0.79

(₹ In Crores)

	As at 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.23	0.02	0.25
Investment	44.86	-	-	44.86
Guarantees outstanding	1.11	-	-	1.11

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	As at 1 April 2021			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.01	0.02	0.03
Investment	33.45	-	-	33.45
Guarantees outstanding	2.51	-	-	2.51

Financial guarantee commission income amounts to ₹ 0.01 crores (31 March 2022: ₹ 0.01 crores) on account of fair valuation of corporate financial guarantee given to bank on behalf of subsidiary.

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Compensation to key management personnel are as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	5.74	4.15
Post-employment benefits	0.02	0.01
Other long term employment benefits	(0.01)	0.04
	5.75	4.20

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

37. OFFSETTING

(₹ In Crores)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amounts	Gross amount offset in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2023					
Loans and advances	5,919.64	9.48	5,910.16	-	5,910.16
31 March 2022					
Loans and advances	4,559.70	5.90	4,553.80	288.40	4,265.40
1 April 2021					
Loans and advances	3,834.60	29.46	3,805.14	344.43	3,460.71

Note:

1. ₹ 9.48 crores (31 March 2022: ₹ 5.90 crores, 1 April 2021: ₹ 29.46 crores) represents advances received against loan agreements.
2. Nil (31 March 2022: 288.73 crores, 1 April 2021: ₹ 344.75 crores) represents security deposits received from borrowers.

38. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

39. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Type of income		
Fees and commission income	49.98	20.29
Total revenue from contracts with customers	**49.98**	**20.29**
Geographical markets		
India	49.98	20.29
Outside India	-	-
Total revenue from contracts with customers	**49.98**	**20.29**
Timing of revenue recognition		
Services transferred at a point in time	49.98	20.29
Services transferred over time	-	-
Total revenue from contracts with customers	**49.98**	**20.29**

40. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	237.86	-	237.86	270.58	-	270.58	965.06	-	965.06
Bank balance other than cash and cash equivalents	57.78	475.99	533.77	539.50	20.73	560.23	10.42	21.38	31.80
Trade receivables	4.27	-	4.27	1.00	-	1.00	2.21	-	2.21
Loans	3,574.16	2,336.00	5,910.16	2,788.70	1,765.10	4,553.80	2,300.42	1,504.72	3,805.14
Investments	478.41	347.71	826.12	157.69	380.37	538.06	61.07	173.96	235.03
Other financial assets	46.38	13.86	60.24	43.52	9.10	52.62	39.79	7.86	47.65
Non-financial assets									
Income tax assets (net)	-	2.52	2.52	-	6.23	6.23	-	5.92	5.92
Deferred tax assets (net)	-	18.22	18.22	-	12.79	12.79	-	10.26	10.26
Property, plant and equipment	-	13.95	13.95	-	12.39	12.39	-	10.81	10.81
Capital work-in-progress	-	57.66	57.66	-	52.04	52.04	-	50.03	50.03
Right-of-use asset	0.31	0.75	1.06	0.14	0.39	0.53	0.33	0.05	0.38
Intangible assets under development	-	0.33	0.33	-	0.04	0.04	-	-	-
Other intangible assets	-	1.03	1.03	-	0.22	0.22	-	0.09	0.09
Other non-financial assets	9.33	-	9.33	3.68	-	3.68	2.32	-	2.32
Total assets	**4,408.50**	**3,268.02**	**7,676.52**	**3,804.80**	**2,259.41**	**6,064.21**	**3,381.62**	**1,785.08**	**5,166.70**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES									
Financial liabilities									
Trade payables	11.64	-	11.64	14.12	-	14.12	6.56	-	6.56
Other payables	1.84	-	1.84	1.55	-	1.55	1.01	-	1.01
Debt securities	522.26	105.00	627.26	64.65	297.38	362.03	249.76	64.36	314.12
Borrowings (other than debt securities)	2,624.76	2,332.80	4,957.56	2,385.09	1,347.64	3,732.73	2,060.99	858.76	2,919.75
Subordinated liabilities	-	252.70	252.70	40.00	97.22	137.22	19.97	40.00	59.97
Other financial liabilities	301.63	4.02	305.65	311.21	146.38	457.59	492.53	140.00	632.53
Non-financial assets									
Current tax liabilities (net)	1.86	-	1.86	2.25	-	2.25	11.77	-	11.77
Provisions	9.36	0.12	9.48	7.01	0.15	7.16	3.90	0.06	3.96
Other non-financial liabilities	2.80	-	2.80	6.10	2.87	8.97	8.14	3.92	12.06
Total liability	**3,476.14**	**2,694.65**	**6,170.79**	**2,831.97**	**1,891.65**	**4,723.62**	**2,854.62**	**1,107.11**	**3,961.73**
Net	**932.36**	**573.37**	**1,505.73**	**972.84**	**367.75**	**1,340.59**	**527.00**	**677.97**	**1,204.97**

41. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefits are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 1.61 crores (31 March 2022: ₹ 1.29 crores) and employee state insurance scheme aggregating ₹ 0.12 crores (31 March 2022: ₹ 0.13 crores) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
i.	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Present value of defined benefit obligations at the beginning of the year	3.42	2.84
	Current service cost	0.68	0.49
	Interest cost	0.23	0.19
	Benefits paid	(0.20)	(0.18)
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	Change in demographic assumptions	(0.14)	(0.06)
	Change in financial assumptions	(0.06)	(0.03)
	Experience adjustments	0.01	0.17
	Present value of defined benefit obligations at the end of the year	**3.94**	**3.42**
ii.	**Reconciliation of opening and closing balances of the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	3.34	2.79
	Interest income	0.25	0.20
	Return on plan assets excluding amounts included in interest income	(0.13)	(0.03)
	Contributions by the Company	1.22	0.56
	Benefits paid	(0.20)	(0.18)
	Fair value of plan assets at the end of the year	**4.48**	**3.34**
iii.	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of defined benefit obligations at the end of the year	3.94	3.42
	Fair value of plan assets at the end of the year	4.48	3.34
	Net asset / (liability) recognized in the balance sheet as at the end of the year	**0.54**	**(0.08)**

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Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
v. Expense recognised during the Year		
Current service cost	0.68	0.49
Interest cost	(0.02)	(0.01)
Expenses recognised in the statement of profit and loss	**0.66**	**0.48**
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(0.06)	(0.03)
Due to change in demographic assumption	(0.14)	(0.06)
Due to experience adjustments	0.01	0.17
Return on plan assets excluding amounts included in interest income	0.13	0.03
Components of defined benefit costs recognised in other comprehensive income	**(0.06)**	**0.11**
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.30%	6.95%
Rate of return on plan assets (p.a.)	7.30%	6.95%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	30.00%	20.00%
26 to 35	25.00%	15.00%
36 to 45	20.00%	10.00%
46 to 55	15.00%	5.00%
56 and above	15.00%	5.00%

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

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit obligation (Base)	3.94	3.42

(₹ In Crores)

	Year ended 31 March 2023		Year ended 31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	4.03	3.85	3.58	3.28
(% change compared to base due to sensitivity)	2.21%	-2.41%	4.50%	-4.20%
Salary growth rate (- / + 0.5%)	3.86	4.01	3.31	3.55
(% change compared to base due to sensitivity)	-2.11%	1.86%	-3.43%	3.66%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	3.96	3.91	3.44	3.41
(% change compared to base due to sensitivity)	0.51%	-0.78%	0.42%	-0.40%

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Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

ix. Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at 31st March 2023 is 5.11 years.(31st March 2022 : 9.09 years)

(₹ In Crores)

	Cash flows (₹)	
	As at 31 Mar 2023	As at 31 Mar 2022
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	0.71	0.26
2nd Following year	0.61	0.27
3rd Following Year	0.56	0.27
4th Following Year	0.49	0.27
5th Following Year	0.44	0.28
Sum of years 6 to 10	1.71	1.49

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 0.66 crores.

(c) Other long term employee benefits

The liability for compensated absences is ₹ 0.16 crores (31 March 2022: ₹ 0.17 crores and 1 April 2021: ₹ 0.07 crores).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

42. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Company has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Crores)

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	5,828.31	-	-	-	5,828.31	5,828.31
Investments measured at FVTPL	-	-	220.43	181.46	38.97	-	220.43
	-	**5,828.31**	**220.43**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	237.86	-	-	237.86	-	-	237.86
Bank balance other than cash and cash equivalents	533.77	-	-	533.77	-	-	533.77
Trade receivables	4.27	-	-	-	-	4.27	4.27
Loans measured at amortised cost	81.85	-	-	-	-	82.38	82.38
Investment measured at amortised cost	559.14	-	-	-	-	559.38	559.38
Other financial assets	60.24	-	-	-	-	60.19	60.19
	1,477.13	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	11.64	-	-	-	-	11.64	11.64
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	4,957.56	-	-	-	-	4,983.40	4,983.40
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00
Other financial liabilities	305.65	-	-	-	-	305.65	305.65
	6,156.65	**-**	**-**				

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Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,513.22	-	-	-	4,513.22	4,513.22
Investments measured at FVTPL	-	-	325.82	267.60	35.57	22.64	325.81
	-	**4,513.22**	**325.82**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	270.58	-	-	270.58	-	-	270.58
Bank balance other than cash and cash equivalents	560.23	-	-	560.23	-	-	560.23
Trade receivables	1.00	-	-	-	-	1.00	1.00
Loans measured at amortised cost	40.58	-	-	-	-	40.89	40.89
Investment measured at amortised cost	190.03	-	-	-	-	190.58	190.58
Other financial assets	52.62	-	-	-	-	52.58	52.58
	1,115.04	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	14.12	-	-	-	-	14.12	14.12
Other payables	1.55	-	-	-	-	1.55	1.55
Debt securities	362.03	-	-	-	-	383.22	383.22
Borrowings (other than debt securities)	3,732.73	-	-	-	-	3,749.71	3,749.71
Subordinated liabilities	137.22	-	-	-	-	140.20	140.20
Other financial liabilities	457.59	-	-	-	-	457.59	457.59
	4,705.24	**-**	**-**				

(₹ In Crores)

As at 1 April 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,805.14	-	-	-	3,805.14	3,805.14
Investments measured at FVTPL	-	-	147.21	115.67	20.30	11.25	147.22
	-	**3,805.14**	**147.21**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	965.06	-	-	965.06	-	-	965.06
Bank balance other than cash and cash equivalents	31.80	-	-	31.80	-	-	31.80
Trade receivables	2.21	-	-		-	2.21	2.21
Investment measured at amortised cost	65.61	-	-	-	-	65.64	65.64
Other financial assets	47.65	-	-	-	-	47.63	47.63
	1,112.33	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	6.56	-	-	-	-	6.56	6.56
Other payables	1.01	-	-	-	-	1.01	1.01
Debt securities	314.12	-	-	-	-	315.21	315.21
Borrowings (other than debt securities)	2,919.75	-	-	-	-	2,930.31	2,930.31
Subordinated liabilities	59.97	-	-	-	-	61.68	61.68
Other financial liabilities	632.53	-	-	-	-	632.53	632.53
	3,933.94	**-**	**-**				

[1] The Company has determined that the carrying values of cash and cash equivalents, bank balances (with the residual maturity up to 12 months), trade payables, short term debts and borrowings, cash credit and other current liabilities are a reasonable approximation of their fair value as these are short term in nature.

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Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Loans		
Balance at the beginning of the year	4,556.16	3,848.45
Addition during the year	4,646.20	3,454.07
Amount derecognised / repaid during the year	(3,263.98)	(2,706.24)
Amount written off	(42.65)	(30.11)
Gains/(losses) recognised in other comprehensive income	(26.05)	(10.01)
Balance at the end of the year	5,869.68	4,556.16

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Crores)

	Amount, net of tax	
	Increase	Decrease
31 March 2023		
Loans		
Interest rates (50 bps movement)	(12.37)	12.42
31 March 2022		
Loans		
Interest rates (50 bps movement)	(8.98)	9.02
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(0.27)	0.27
1 April 2021		
Loans		
Interest rates (50 bps movement)	(6.73)	6.76
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(0.13)	0.14

43. CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

43.1 Capital management

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

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

43.2 Regulatory capital

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Tier 1 Capital	**1,329.70**	**1,164.21**	**1,026.62**
Tier 2 Capital	285.34	165.20	84.68
Total Capital (Numerator)	1,615.05	1,329.41	1,111.30
Risk weightage assets (Denominator)	6,396.60	5,045.28	4,138.15
Risk weighted assets			
Tier 1 Capital Ratio (%)	20.79%	23.08%	24.81%
Tier 2 Capital Ratio (%)	4.46%	3.27%	2.05%
Total Capital Ratio (%)	25.25%	26.35%	26.85%

Tier 1 capital consists of shareholders' equity and retained earnings excluding unrealised gain but including unrealised loss. Tier 2 capital consists of ECL on stage 1 and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

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Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets mainly includes loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

44.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

Analysis of risk concentration

The following table shows the risk concentration of the Company's loans.

(₹ In Crores)

	Carrying Amount		
	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Retail assets loans:	**3,026.28**	**2,286.10**	**1,640.79**
Two wheeler loans	317.60	259.79	195.48
Micro enterprise loans	1,210.59	1,043.16	889.93
Salaried personal loans	247.94	103.40	92.44
Small and medium enterprise loans	1,080.11	832.49	421.46
Commercial vehicle loans	170.04	47.26	41.48
Retail Assets Channel loans	**2,925.78**	**2,310.95**	**2,207.66**
Total	**5,952.06**	**4,597.05**	**3,848.45**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loans are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes due by more than 90 days on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company has staged the assets based on the days past dues criteria and other market factors which significantly impacts the loan portfolio.

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

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 months provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 months provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime provision

(ii) Grouping:

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. The Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans
b. Micro enterprise loans
c. Salaried personal loans
d. Small and medium enterprise loans
e. Commercial vehicle loans
f. Retail asset channel loans

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default (""PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Company is validated in accordance with its ECL policy.

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Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

The Company has developed its PD matrix based on the external benchmarking of external reports, external ratings and Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data of the Company calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out PD based on the last five years historical data.

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs are converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the Current year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. The Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of four components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount.

The formula for the computation is as below:

%Recoveryrate=(discountedrecoveryamount+securityamount+discountedestimatedrecovery)/(totaloutstandingbalance)
% LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected assignment of loans.

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure of retail loans. Further, the EAD for stage 3 retail loans are the outstanding exposures at the time loan is classified as Stage 3 for the first time.

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Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Discounting:

As per Ind AS 109, ECL on retail loans is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Company has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Company, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of ECL provided for across the stages is summarised below:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Stage 1	0.53%	1.03%	1.58%
Stage 2	17.76%	11.37%	20.12%
Stage 3	40.20%	42.61%	38.61%
Amount of expected credit loss provided for	**103.46**	**100.20**	**99.22**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

(iv) *Management overlay*

The Company holds a management and macro-economic overlay of ₹ 20.03 crores as at 31 March 2023 (31 March 2022: ₹ 37.84 crores and 1 April 2021 : ₹ 56.23 crores).

(v) *Modification of financial assets*

The Company has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Company monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2023 is ₹ 2.73 crores (31 March 2022: ₹ 16.16 crores and 1 April 2021: ₹ 4.46 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 1.06 crores as at 31 March 2023 (31 March 2022: ₹ 1.78 crores and 1 April 2021: ₹ 1.12 crores). The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

44.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility, term loans and direct assignment of loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Company is ₹ 1690 Crore spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

RBI has mandated minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 508.67% as of 31 March 2023 as against the LCR of 50% mandated by RBI.

The Management expects to continue to maintain around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cash flow of the Company's financial liabilities:

(₹ In Crores)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2023									
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39			738.21
Borrowings (Other than debt securities)	87.85	94.49	235.30	417.47	2,092.69	2,168.90	464.19	-	5,560.89
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payable	2.86	2.86	6.53	0.63	0.61	-	-	-	13.48
Lease liability	0.03	0.03	0.03	0.09	0.19	0.94	0.05	-	1.35
Other financial liabilities	236.06	6.12	5.26	0.08	53.84	3.15	-	-	304.51

(₹ In Crores)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2022									
Debt securities	-	-	-	-	76.59	357.11	-	-	433.70
Borrowings (Other than debt securities)	59.38	74.23	161.26	284.63	1,963.28	1,161.00	360.37	-	4,064.16
Subordinated liabilities	0.72	0.88	42.10	2.71	5.33	21.53	21.50	102.16	196.93
Payable	11.21	2.72	0.10	0.30	1.34	-	-	-	15.67
Lease liability	0.02	0.02	0.02	0.05	0.07	0.29	0.23	-	0.69
Other financial liabilities	161.86	9.82	24.04	43.33	72.02	131.04	11.55	3.35	457.02
As at 1 April 2021									
Debt securities	-	-	-	22.50	261.11	76.30	-	-	359.90
Borrowings (Other than debt securities)	69.04	44.87	103.72	169.62	1,781.40	717.67	235.69	26.16	3,148.17
Subordinated liabilities	-	-	1.30	22.54	2.59	41.18	-	-	67.61
Payable	6.47	0.10	0.10	0.29	0.60	-	-	-	7.57
Lease liability	0.06	0.05	0.05	0.15	0.10	0.07	0.01	-	0.49
Other financial liabilities	291.58	14.46	20.20	49.84	116.05	121.03	13.62	5.28	632.07

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

44.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Company.

(₹ In Crores)

Change in interest rates	Year ended 31 March 2023		Year ended 31 March 2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	176.78	176.78	262.97	262.97
Impact on profit before tax for the year	0.88	(0.88)	1.31	(1.31)
Variable rate lending	2,925.78	2,925.78	2,310.95	2,310.95
Impact on profit before tax for the year	14.63	(14.63)	11.55	(11.55)
Variable rate borrowings	4,814.46	4,814.46	3,539.78	3,539.78
Impact on profit before tax for the year	(24.07)	24.07	(17.70)	17.70

B. Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

45. LEASE DISCLOSURE

Where the Company is the lessee

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Not later than one year	0.37	0.17	0.42
Later than one year and not later than five years	0.99	0.51	0.07
Later than five years	-	-	-
Total undiscounted lease liabilities	**1.35**	**0.69**	**0.49**
Lease liabilities included in the balance sheet			
Total lease liabilities	**1.14**	**0.57**	**0.46**

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	0.09	0.04
Depreciation charge for the year	0.27	0.37
Expenses relating to short term leases	3.25	2.24

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2023	Year ended 31 March 2022
Cash outflow towards lease liability	(0.22)	(0.42)

For addition and carrying amount of right to use asset for 31 March 2023, 31 March 2022 and 1 April 2021, refer note 11(d)

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

46. TRANSFER OF FINANCIAL ASSETS

46.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Securitisation			
Carrying amount of transferred assets	-	57.60	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	-	50.03	-
Fair value of assets (A)	-	57.50	-
Fair value of associated liabilities (B)	-	49.95	-
Net position at Fair Value (A-B)	-	7.55	-

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

46.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Direct assignment			
Carrying amount of de-recognised financial asset	1,186.60	1,069.18	1,315.81
Carrying amount of retained financial asset	158.82	145.82	153.44

46.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

47. ADDITIONAL DISCLOSURES:

47.1 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023, 31 March 2022 and 1 April 2021.

47.2 The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

47.3 The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

47.4 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

47.5 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.

47.6 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2023 and 31 March 2022.

47.7 As a part of normal lending business, the Company grants loans and advances after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47.8 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2023 and 31 March 2022.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

47.9 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2023 and 31 March 2022.

47.10 The Company has not entered into any scheme of arrangement.

48. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE XVI OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 (UPDATED AS ON 29 DECEMBER 2022) "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

48.1 Capital

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
i)	CRAR (%)	25.25%	26.35%
ii)	CRAR - Tier I capital (%)	20.79%	23.08%
iii)	CRAR - Tier II capital (%)	4.46%	3.27%
iv)	Amount of subordinated debt raised as Tier-II capital	255.00	120.00
v)	Amount raised by issue of perpetual debt instruments	-	-

48.2 Investments

(₹ In Crores)

			As at 31 March 2023	As at 31 March 2022
1.	**Value of investments**			
	(i)	Gross value of investments		
		(a) In India	826.36	538.61
		(b) Outside India	-	-
	(ii)	Provisions for depreciation		
		(a) In India	0.24	0.55
		(b) Outside India	-	-
	(iii)	Net value of investments		
		(a) In India	826.12	538.06
		(b) Outside India	-	-
2.	**Movement of provisions held towards depreciation on investments.**			
	(i)	Opening balance	0.55	0.03
	(ii)	Add : Provisions made during the year	0.21	0.55
	(iii)	Less : Write-off / write-back of excess provisions during the year	0.52	0.03
	(iv)	Closing balance	**0.24**	**0.55**

48.3 Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

48.4 Asset liability management maturity pattern of certain items of assets and liabilities

(₹ In Crores)

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2023											
Bank Fixed Deposits	70.06	-	0.83	150.03	-	0.01	1.45	475.99	-	-	698.37
Advances	81.46	67.75	272.28	370.60	447.80	872.39	1,461.88	2,059.52	254.76	21.73	5,910.16
Investments	0.54	9.64	38.57	44.58	40.89	137.99	206.20	300.06	13.09	34.57	826.12
Borrowings	16.98	11.96	30.61	71.39	205.97	343.49	2,466.62	2,010.50	524.91	155.09	5,837.52
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022											
Bank Fixed Deposits	35.26	-	1.96	-	-	0.01	535.60	-	20.73	-	593.56
Advances	57.49	63.32	215.33	280.83	347.91	721.15	1,102.67	1,584.24	162.93	17.93	4,553.80
Investments	2.59	-	26.53	19.68	17.68	31.10	60.11	337.03	11.82	31.52	538.06
Borrowings	7.01	19.06	17.88	58.42	186.26	242.69	1,893.78	1,375.31	334.37	97.22	4,231.98
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021											
Bank Fixed Deposits	230.68	106.53	42.91	78.10	17.02	-	10.27	-	21.38	-	506.88
Advances	19.69	41.61	160.95	213.76	219.90	626.97	1,017.53	1,301.09	185.20	18.44	3,805.14
Investments	-	-	6.50	7.50	7.07	18.52	21.49	140.51	6.67	26.78	235.03
Borrowings	16.26	14.48	27.49	34.13	93.44	160.82	1,984.12	726.71	211.28	25.13	3,293.84
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

48.5 Exposure to Real Estate Sector: Refer note 52 (A) (1) for details

48.6 Exposure to Capital Market: Refer note 52 (A) (2) for details

48.7 Details of financing of parent company products

Not applicable

48.8 Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:

Nil

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:

Nil

48.9 Unsecured advances

a) Refer note 8(B)(ii) to the standalone financial statements.

b) The Company has not granted any advances against intangible securities (31 March 2022: Nil).

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

48.10 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

48.11 Disclosure of penalties imposed by RBI and other regulators

During the year ended 31 March 2023, no penalties have been imposed by RBI and other regulators (31 March 2022: Nil).

48.12 Related party transactions

Refer note 36 to the standalone financial statements.

48.13 Ratings assigned by credit rating agencies and migration of ratings during the year

By Acuite Ratings & Research Limited:

(₹ In Crores)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	6,000.00	ACUITE AA-(Stable)	No migration of rating
Commercial paper issue	300.00	ACUITE A1+	No migration of rating

By Care Ratings Limited:

(₹ In Crores)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	6,000.00	CARE A+ (Stable)	No migration of rating
Commercial Papers issue	250.00	CARE A1+	No migration of rating
Non Convertible Debentures	250.00	CARE A+ (Stable)	No migration of rating
Market linked debenture	75.00	CARE PP-MLD A+ (Stable)	No migration of rating
Market linked debenture	200.00	CARE PP-MLD A+ (Stable)	No migration of rating
Subordinate debt	100.00	CARE A+ (Stable)	No migration of rating
Market linked debenture	200.00	CARE PP-MLD A+ (Stable)	No migration of rating
Market linked debenture	300.00	CARE PP-MLD A+ (Stable)	No migration of rating
Subordinate debt	100.00	CARE A+ (Stable)	No migration of rating
Subordinate debt	200.00	CARE A+ (Stable)	No migration of rating

48.14 Remuneration of directors

Refer note 36 to the standalone financial statements.

48.15 Management Discussion and Analysis

The annual report has a detailed chapter on Management Discussion and Analysis.

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

The Company does not have any prior period items during the current year other than those disclosed in financials. Refer note 32 for change in accounting policy.

48.17 Revenue recognition

Refer note 3.1 to the standalone financial statements.

48.18 Ind AS 110 - consolidated financial statements (CFS)

The Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

48.19 Provisions and contingencies

The information on all provisions and contingencies is as under:

(₹ In Crores)

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss	As at 31 March 2023	As at 31 March 2022
Provision for depreciation on investment	(0.31)	0.52
Provision towards non performing assets (Stage 3 loan assets)	8.65	19.82
Provision made towards income tax	62.63	53.73
Provision towards standard assets (Stage 1 and 2 loan assets)	(5.39)	(18.84)

48.20 Draw down from reserves

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Draw down from reserves	-	-

48.21 Concentration of deposits (for deposit taking NBFCs)

Not Applicable

48.22 Concentration of advances

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers	1,446.59	1,259.38
Percentage of advances to twenty largest borrowers to total advances of the NBFC	24.48%	27.66%

48.23 Concentration of exposures

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total exposure to twenty largest borrowers / customers	1,537.14	1,360.71
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	25.51%	28.70%

48.24 Concentration of NPAs

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total exposure to top four NPA accounts	10.95	7.68

48.25 Sector-wise NPAs: Refer note 52 for details

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

48.26 Movement of NPAs

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
(i)	Net NPAs to net advances (%)	1.36%	1.34%
(ii)	Movement of NPAs (gross)		
	(a) Opening balance	104.89	64.43
	(b) Additions during the year	114.22	99.80
	(c) Reductions during the year	86.41	59.34
	(d) Closing balance	132.70	104.89
(iii)	Movement of net NPAs		
	(a) Opening balance	60.19	39.55
	(b) Additions during the year	70.31	60.12
	(c) Reductions during the year	51.15	39.48
	(d) Closing balance	79.35	60.19
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	44.70	24.88
	(b) Provisions made during the year	43.91	39.68
	(c) Write-off / write-back of excess provisions	35.26	19.85
	(d) Closing balance	53.35	44.70

48.27 Overseas assets (for those with joint ventures and subsidiaries abroad)

Nil

48.28 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Nil

48.29 Disclosure of customers complaints: Refer note 52 for details

49. DISCLOSURES RELATING TO SECURITISATION AND TRANSFER OF LOAN EXPOSURE

The information of securitisation and transfer of loan exposure by the Company as required by RBI circular RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 and RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 is as under:

(a) For Securitisation Transaction by originator (non-STC transaction)

(₹ In Crores)

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator	-	1
2	Total amount of securitised assets as per books of the SPEs	-	50.03
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	4.99
	• Others	-	10.58

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	2.86
	ii) Exposure to third party securitizations		-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		-
	i) Exposure to own securitizations		-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		-
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets;	-	89.22
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
	Over collateralisation	-	10.58
	Excess Interest spread	-	2.86
	Cash collateral	-	4.99
7	Performance of facility provided		-
	Over collateralisation		-
	(a) Amount paid	-	10.58
	(b) Repayment received	10.58	-
	(c) Outstanding amount	-	10.58
	Excess Interest spread		-
	(a) Amount paid	-	5.00
	(b) Repayment received	2.86	2.14
	(c) Outstanding amount	-	2.86
	Cash collateral		-
	(a) Amount paid	-	4.99
	(b) Repayment received	4.99	-
	(c) Outstanding amount	-	4.99
8	Average default rate of portfolios observed in the past.		
	(a) loans to NBFCs	-	0.40%
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

(b) For Securitisation Transaction by originator (STC transaction) - Not applicable

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(c) Details of loans not in default transferred through assignment

(₹ In Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Aggregate principal outstanding of loans transferred (₹ in crores)	1,674.41	1,329.40
Weighted average residual maturity (in months)	24	19
Weighted average holding period (in months)	5	6
Average retention of beneficial economic interest (MRR) (%)	13%	13%
Average coverage of tangible security (%)	49%	24%
Rating wise distribution of loans transferred	Unrated	Unrated

(d) Details of loans not in default acquired through assignment

(₹ In Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Aggregate principal outstanding of loans acquired (₹ in crores)	167.94	203.35
Weighted average residual maturity (in months)	22	26
Weighted average holding period (in months)	9	16
Average retention of beneficial economic interest (MRR) by originator (%)	10%	10%
Average coverage of tangible security (%)	2%	5%
Rating wise distribution of loans acquired	Unrated	Unrated

(e) Details of non-performing financial assets purchased / sold

The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).

50. DISCLOSURE ON LIQUIDITY RISK PURSUANT TO RBI CIRCULAR DATED 4 NOVEMBER 2019 ON 'LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES AND CORE INVESTMENT COMPANIES' IS AS FOLLOWS:

50.1 Funding concentration based on significant counterparty[1] (both deposits and borrowings)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Number of significant counterparties	20	19
Amount	4,503.94	3,630.39
Percentage of funding concentration to total deposits	Not Applicable	Not Applicable
Percentage of funding concentration to total liabiities[2]	73%	76%

[1]Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

[2]Total liabilities represents total liabilities as per balance sheet.

50.2 Top 20 large deposits

Not Applicable to the Company as it does not accept public deposits.

50.3 Top 10 borrowings

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total amount of top 10 borrowings	3,487.53	2,879.33
Percentage of amount of top 10 borrowings to total borrowings	59%	68%

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

50.4 Funding concentration based on significant instrument/product[3]

(₹ In Crores)

	As at 31 March 2023	Percentage of total liabilities	As at 31 March 2022	Percentage of total liabilities
Term Loans	3,680.02	60%	2,178.97	46%
Cash credit / Overdraft / Working capital demand loan	1,304.43	21%	1,520.81	32%
Market linked Debenture	600.00	10%	365.00	8%
Subordinate-debentures	260.00	4%	140.00	3%
Non convertible debentures	31.25	1%	-	0%
Securitisation	-	0%	50.03	1%

[3]Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

50.5 Stock ratio

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
(i)	Commercial paper as a percentage of total public funds4	Not applicable	Not applicable
(ii)	Commercial paper as a percentage of total liabilities	Not applicable	Not applicable
(iii)	Commercial paper as a percentage of total assets	Not applicable	Not applicable
(iv)	Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	Not applicable	Not applicable
(v)	Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	Not applicable	Not applicable
(vi)	Non convertible debentures(original maturity of less than one year) as a percentage of total assets	Not applicable	Not applicable
(vii)	Other short term liabilities* as a percentage of total public funds	59%	63%
(viii)	Other short term liabilities as a percentage of total liabilities	56%	57%
(ix)	Other short term liabilities as a percentage of total assets	45%	44%

[4]Public funds as defined in Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

* Excludes security deposits received from borrowers

50.6 Institutional set-up for liquidity risk management

Refer note 44.2 of the standalone financials statements.

Quarterly liquidity coverage ratio for the year ended 31 March 2023

(₹ In Crores)

	Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022			Quarter ended 31 March 2023
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
3	Unsecured wholesale funding	13.33	15.33	-	-	-	-	-	-
4	Secured wholesale funding	103.46	118.97	87.44	100.56	127.46	146.58	146.64	168.64
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	62.84	72.26	68.28	78.52	122.89	141.32	187.40	215.51
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**179.63**	**206.57**	**155.72**	**179.08**	**250.35**	**287.90**	**334.04**	**384.15**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	350.98	263.24	407.57	305.68	452.75	339.57	444.06	333.04
11	Other cash inflows	184.05	138.04	434.13	325.59	247.34	185.51	301.39	226.04
12	**Total cash inflows**	**535.03**	**401.27**	**841.70**	**631.27**	**700.10**	**525.07**	**745.45**	**559.09**

		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	598.82	430.50	431.84	488.51
14	Total net cash outflows	51.64	44.77	71.98	96.04
15	Liquidity coverage ratio (%)	1159.55%	961.61%	599.97%	508.67%

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Particulars		Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA		598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51

Quarterly liquidity coverage ratio for the year ended 31 March 2022

(₹ In Crores)

Particulars		Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021		Quarter ended 31 March 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	219.84	219.84	120.36	120.36	101.49	101.49	112.41	112.41
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	73.87	84.95	91.49	105.21	105.05	120.81	144.71	166.42
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	181.16	208.34	75.94	87.33	57.48	66.10	58.21	66.94

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	Particulars	Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021		Quarter ended 31 March 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**255.03**	**293.29**	**167.43**	**192.54**	**162.53**	**186.91**	**202.92**	**233.36**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	266.35	199.76	261.46	196.10	304.74	228.55	309.69	232.27
11	Other cash inflows	431.05	323.29	659.12	494.34	562.31	421.74	209.88	157.41
12	**Total cash inflows**	**697.40**	**523.05**	**920.58**	**690.44**	**867.05**	**650.29**	**519.57**	**389.68**

		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	219.84	120.36	101.49	112.41
14	Total net cash outflows	73.32	48.14	46.73	58.34
15	Liquidity coverage ratio (%)	299.83%	250.04%	217.20%	192.68%

(₹ In Crores)

	Particulars	Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021		Quarter ended 31 March 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	219.84	219.84	120.36	120.36	101.49	101.49	112.41	112.41
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA		**219.84**	**219.84**	**120.36**	**120.36**	**101.49**	**101.49**	**112.41**	**112.41**

The LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered High-Quality Liquid Assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

HQLA primarily includes cash on hand, bank balances in current accounts and free fixed deposit against which overdraft facility has been availed off net of availed overdraft.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines requires NBFCs to maintain minimum LCR of 60% and 50% as on 31 March 2023 and 31 March 2022 respectively which is gradually required to be increased to 100% by 1 December 2024.

51. DISCLOSURE IN ACCORDANCE WITH RBI NOTIFICATION NO. RBI/2020-21/17 DOR. NO.BP.BC/4/21.04.048/2020-21 DATED 6 AUGUST 2020 AND RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 DATED 5 MAY 2021 ARE AS FOLLOWS:

(₹ In Crores)

Type of Restructuring Under CDR Mechanism and Under SME Debt Restructuring Mechanism	As at 31 March 2023	As at 31 March 2022
No. of accounts restructured*	175	424
Amount**	2.63	15.90

* Cumulative no. of accounts restructured having outstanding as on date

** Including MRR portion on assigned loans

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2023

(₹ In Crores)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.25	-	-	0.25
	Provision thereon*	-	0.05	-	-	0.05
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	(0.15)	-	-	(0.15)
	Provision thereon*	-	(0.02)	-	-	(0.02)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.10	-	-	0.10
	Provision thereon*	-	0.03	-	-	0.03

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2022

(₹ In Crores)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.26	-	-	0.26
	Provision thereon*	-	0.06	-	-	0.06
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	(0.01)	-	-	(0.01)
	Provision thereon*	-	(0.01)	-	-	(0.01)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.25	-	-	0.25
	Provision thereon*	-	0.05	-	-	0.05

+ Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

* Provisions considered as per ECL.

52. DISCLOSRUE AS PER RBI NOTIFICAITON NO. RBI/2022-23/26 DOR.ACC.REC.NO.20/21.04.018/2022-23 ON DISCLOSURES IN FINANCIAL STATEMENTS- NOTES TO ACCOUNTS OF NBFCS

A) Exposure

1) Exposure to real estate sector

(₹ In Crores)

Category		Year ended 31 March 2023	Year ended 31 March 2022
i)	Direct exposure		
a)	Residential Mortgages –	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
b)	Commercial Real Estate –	21.30	22.94
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
	i. Residential	-	-
	ii. Commercial Real Estate	-	-
	ii. Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		107.50	120.67
Total Exposure to Real Estate Sector		**128.80**	**143.61**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

2) Exposure to capital market

(₹ In Crores)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt *	4.68	4.63
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	Bridge loans to companies against expected equity flows / issues	-	-
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	All exposures to Alternative Investment Funds:		
(i)	Category I	-	-
(ii)	Category II	38.97	35.57
(iii)	Category III	-	-
Total exposure to capital market		**43.65**	**40.20**

3) Sectoral exposure

(₹ In Crores)

Sectors	As at 31 March 2023			As at 31 March 2022		
	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	674.82	18.11	2.68%	565.56	17.04	3.01%
2. Industry						
i Manufacturare	270.25	8.54	3.16%	182.84	11.27	6.16%
Total of Industry	270.25	8.54	3.16%	182.84	11.27	6.16%
3. Services						
i Transport Operators	228.18	13.45	5.89%	86.82	9.99	11.51%
ii Retail Trade	2,117.48	82.85	3.91%	1,216.46	51.04	4.20%
iii NBFCs	2,964.39	10.31	0.35%	2,694.26	6.98	0.26%
Others	655.85	30.78	4.69%	638.29	30.64	4.80%
Total of Services	5,965.89	137.38	2.30%	4,635.83	98.65	2.13%
4. Personal Loans						
Others	421.62	9.90	2.35%	309.76	18.35	5.92%
Total of Personal Loans	**421.62**	**9.90**	**2.35%**	**309.76**	**18.35**	**5.92%**

* Includes on balance sheet and off-balance sheet exposure

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

4) Intra-group exposures

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total amount of intra-group exposures	46.55	44.86
Total amount of top 20 intra-group exposures	46.55	44.86
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.77%	0.95%

5) Unhedged foreign currency exposure

The Company does not have any foreign curreny exposure accordingly the disclosure is not applicable to the Company.

B) Related Party Disclosure

Sr. No.	Nature of relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Directors	Mr. Kamlesh C. Gandhi (Chairman and Managing Director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole time Director and Chief Financial Officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and Chief Executive Officer)
		Mr. Balabhaskaran Nair (Independent Director)
		Mr. Umesh Shah (Independent Director)
		Mr. Chetanbhai Shah (Independent Director)
		Mrs. Daksha Shah (Independent Director)
3	Key management personnel ("KMP")	Mr. Ankit Jain (Chief Financial Officer)
		Miss. Riddhi Bhayani (Compliance Officer)
4	Relatives of Directors	Mrs. Shweta K. Gandhi (Relative of Director)
		Mr. Dhvanil K. Gandhi (Relative of Director)
		Mr. Saumil D. Pandya (Relative of Director)
		Ms. Dhriti K. Gandhi (Relative of Director)
		Pauravi Umesh Shah (Relative of Director)
5	Other related parties	Prarthna Marketing Private Limited (Entity Related to Director)
		Anamaya Capital LLP (Entity Related to Director)
		Umesh Rajanikant Shah HUF (Entity Related to Director)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2023	As at 31 March 2022
Subsidiaries	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments (Maximum during the year 31st March 2023 :46.55 and 31st March 2022 :44.86)	46.55	44.86
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Dividend paid	-	-
	Expenditure reimbursed	*	9.80
	Others	1.48	1.39
		48.03	**56.05**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2023	As at 31 March 2022
Key Management Personnel	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	0.50	0.41
	Dividend paid	*	*
	Others	-	-
		0.50	**0.41**
Directors	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	5.74	4.15
	Dividend paid	7.19	6.18
	Sitting fees	0.09	0.08
	Others	-	-
		13.02	**10.41**
Relatives of Director	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	0.95	0.79
	Dividend paid	5.24	4.51
	Others	-	-
		6.19	**5.30**
Others Related Parties	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Dividend paid	0.45	0.39
	Others	-	-
		0.45	**0.39**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2023	As at 31 March 2022
Total of above	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments (Maximum during the year 31st March 2023 :46.55 and 31st March 2022 :44.86)	46.55	44.86
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	7.19	5.35
	Dividend paid	12.88	11.08
	Sitting fees	0.09	0.08
	Expenditure reimbursed	-	9.80
	Others	1.48	1.39
		68.19	**72.56**

* Represents amount less than ₹ 50,000

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

(₹ In Crores)

Sr No	Particulars	As at 31 March 2023	As at 31 March 2022
	Complaints received by the NBFC from its customers (refer note below)		
1.	Number of complaints pending at beginning of the year	1	-
2.	Number of complaints received during the year	138	55
3.	Number of complaints disposed during the year	137	54
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	2	1
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	34	9
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	34	9
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

2) Top five grounds of complaints received by the NBFCs from customers

(₹ In Crores)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at 31 March 2023					
Loans and advances	1	138	151%	2	2
Total	**1**	**138**	**151%**	**2**	**2**
As at 31 March 2022					
Loans and advances	-	55	400%	1	-
Total	**-**	**55**	**400%**	**1**	**-**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

53. INFORMATION AS REQUIRED IN TERMS OF PARAGRAPH 19 OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

Liabilities side :

53.1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ In Crores)

		Year ended 31 March 2023	
Particulars		**Amount outstanding**	**Amount overdue**
(a)	Debentures : Secured	687.83	-
	: Unsecured	260.41	-
(other than falling within the meaning of Public deposits*)			
(b)	Deferred credits	-	-
(c)	Term loans	3,692.56	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial paper	-	-
(f)	Other loans:		
	From banks	1,305.27	-

*Please see note 1 below

53.2 Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)

(a)	In the form of unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	-	-

*Please see note 1 below

Assets side:

53.3 Break-up of loans and advances including bills receivables (other than those included In (4) below)

(₹ In Crores)

		Amount outstanding
(a)	Secured	4,383.15
(b)	Unsecured	1,527.54

53.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities

(₹ In Crores)

		Amount outstanding
(i)	Lease assets including lease rentals under sundry debtors:	
	(a) Financial lease	NA
	(b) Operating lease	NA
(ii)	Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	NA
	(b) Repossessed assets	NA
(iii)	Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	3.54
	(b) Loans other than (a) above	NA

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

53.5 Break-up of investments :

(₹ In Crores)

				Amount outstanding
Current investments :				
1	Quoted :			
	(i) Shares :	(a)	Equity	-
		(b)	Preference	-
	(ii) Debentures and bonds			44.81
	(iii) Units of mutual funds			-
	(iv) Government securities			-
	(v) Others (please specify)			-
2	Unquoted :			
	(i) Shares :	(a)	Equity	-
		(b)	Preference	-
	(ii) Debentures and bonds			19.31
	(iii) Units of mutual funds			-
	(iv) Government securities			-
(v)	Others (Alternate investment fund and pass through certificates)			414.30
Long term investments :				
1	Quoted :			
	(i) Shares :	(a)	Equity	-
		(b)	Preference	-
	(ii) Debentures and bonds			131.97
	(iii) Units of mutual funds			4.68
	(iv) Government securities			-
	(v) Others (Alternate investment fund and pass through certificates)			152.44
2	Unquoted :			
	(i) Shares :	(a)	Equity	20.09
		(b)	Preference	20.00
	(ii) Debentures and bonds			12.31
	(iii) Units of mutual funds			-
	(iv) Government securities			-
	(v) Others (refer note 9)			6.46

53.6 Borrower group-wise classification of assets financed as in 53.3 and 53.4 above:

(₹ In Crores)

			Amount outstanding
Please see Note 2 below	**Amount net of provisions**		
Category	**Secured**	**Unsecured**	**Total**
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	4,338.09	1,469.13	5,807.23
Total	**4,338.09**	**1,469.13**	**5,807.23**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

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

Please see note 3 below (₹ In Crores)

Category	Market value / break up or fair value or NAV	Book value (net of provisions)
1. Related parties **		
(a) Subsidiaries (refer note below)	59.35	46.55
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	779.57	779.57
Total	**838.92**	**826.12**

** As per Ind AS issued by Ministry Of Corporate Affairs (refer note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on 31 March 2023.

53.8 Other information

(₹ In Crores)

	Amount outstanding
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	132.70
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	79.35
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (at fair value in the case of Ind AS) in (5) above.

54. DISCLOSURES AS REQUIRED IN TERMS OF RBI NOTIFICATION NO. DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED 13 MARCH 2020 ON IMPLEMENTATION OF IND AS ARE MENTIONED AS BELOW :

As at 31 March 2023

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
Subtotal		**5,819.36**	**50.11**	**5,769.25**	**23.22**	**26.89**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
Non-performing assets ("NPA")						
Substandard	Stage 3	132.70	53.35	79.35	13.82	39.53
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**132.70**	**53.35**	**79.35**	**13.82**	**39.53**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
	Stage 3	132.70	53.35	79.35	13.82	39.53
Grand total		**5,952.06**	**103.46**	**5,848.60**	**37.04**	**66.42**

As at 31 March 2022

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	4,401.63	41.95	4,359.68	17.46	24.49
	Stage 2	90.53	10.29	80.24	1.68	8.61
Subtotal		4,492.16	52.24	4,439.92	19.14	33.10
Non-performing assets ("NPA")						
Substandard	Stage 3	104.89	44.70	60.19	10.79	33.91
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		104.89	44.70	60.19	10.79	33.91
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	4,500.00	3.26	4,496.74	-	3.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		4,500.00	3.26	4,496.74	-	3.26
Total	Stage 1	8,901.63	45.20	8,856.43	17.46	27.74
	Stage 2	90.53	10.29	80.24	1.68	8.61
	Stage 3	104.89	44.70	60.19	10.79	33.91
Grand total		9,097.05	100.20	8,996.85	29.93	70.27

* Computed on the value as per the IRACP norms.

The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2023 and 31 March 2022 and accordingly, no amount is required to be transferred to impairment reserve.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

The disclosure requirement of the policy for sales out of amortised cost business model portfolios of the Company is not applicable to the Company.

55. THE DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION - MONITORING OF FRAUDS IN NBFCS ISSUED BY RBI DATED 29 SEPTEMBER 2016

There was 17 instance of fraud by customer amounting to ₹ 1.89 crores reported during the year ended 31 March 2023. (Previous year: Nil).

56. The Company has complied with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications'. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgrade of Non performing accounts. However, the Company has not opted for this deferment.

57. DISCLOSURE AS PER RBI NOTIFICAITON NO. RBI/2022-23/29 DOR.CRE.REC.NO.25/03.10.001/2022-23 ON LOANS AND ADVANCES – REGULATORY RESTRICTIONS - NBFCS

Loans to Directors, Senior Officers and relatives of Directors

(₹ In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	0.01	0.02

58. Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of MAS Financial Services Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us and the other auditors in terms of their report referred to in other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

EMPHASIS OF MATTER

Attention is invited to Note 32 to the Statement regarding the change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures in accordance with the applicable requirements of Ind AS.

Our opinion on the Consolidated financial results is not modified in respect of the above matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** Charge: INR 3.34 Crores for the year ended 31st March, 2023 Provision: INR 108.29 Crores as at 31st March, 2023. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 21.26% of ECL balances as at 31 March, 2023. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.

Sr. No.	Key Audit Matter	Auditor's Response
	The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the Consolidated financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on macro-economy related overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2	**Information Technology** **IT Systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and the changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

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

a) Identify and assess the risks of material misstatement of the Consolidated 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.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

d) 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary companies to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

We did not audit the financial statements of subsidiary included in the Consolidated financial statements, whose financial statements reflect [the figures reported below are before giving effect to consolidation adjustments] total assets of ₹ 383.44 Crores as at March 31, 2023, total revenues of ₹ 43.75 Crores, total net profit after tax of ₹ 6.34 Crores, total comprehensive income of ₹ 7.38 Crores and net cash outflows amounting to ₹ 13.74 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. The backup of the books of account and other books and papers maintained in electronic form, has been maintained on a daily basis on servers physically located in India during the year.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow

Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.

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

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses 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 Parent and its subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, 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 Holding Company or any of such subsidiary or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid during the year by the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

The interim dividend declared and paid during the year by the Holding Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

As stated in notes to the consolidated financial statements, the Board of Directors of the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of Holding Company and Subsidiary Company at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the company only with effect from the financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

vii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other auditors of its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVW5815

Place: Ahmedabad
Date: May 10, 2023

"Annexure A" to the Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries companies, which are companies incorporated in India 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

OTHER MATTER

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVW5815

Place: Ahmedabad
Date: May 10, 2023

Consolidated Balance Sheet

as at 31 March 2023

(₹ in Crores)

	Note no.	As at 31 March 2023	As at 31 March 2022 (Restated refer note 32)	As at 1 April 2021 (Restated refer note 32)
ASSETS				
Financial assets				
Cash and cash equivalents	5	238.67	284.64	987.11
Bank balance other than cash and cash equivalents	6	565.29	586.02	32.20
Trade receivables	7	4.30	1.05	2.23
Loans	8	6,246.24	4,799.81	4,063.31
Investments	9	791.04	493.21	201.58
Other financial assets	10	61.63	53.33	48.08
Total financial assets		**7,907.17**	**6,218.06**	**5,334.51**
Non-financial assets				
Income tax assets (net)	30	2.52	6.23	5.92
Deferred tax assets (net)	30	19.33	14.21	11.62
Property, plant and equipment	11(a)	14.66	12.93	11.45
Capital work-in-progress	11(d)	57.66	52.04	50.03
Right-of-use asset	11(c)	1.18	0.61	0.54
Intangible assets under development	11(e)	0.33	0.04	-
Other intangible assets	11(b)	1.03	0.22	0.09
Other non-financial assets	12	9.88	4.22	2.86
Total non-financial assets		**106.59**	**90.50**	**82.51**
Total assets		**8,013.76**	**6,308.56**	**5,417.02**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	13			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.55	14.59	7.28
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.84	1.55	1.01
Debt securities	14	627.26	362.03	314.12
Borrowings (other than debt securities)	15	5,247.57	3,939.97	3,138.67
Subordinated liabilities	16	252.70	137.22	59.97
Other financial liabilities	17	310.34	461.86	634.67
Total financial liabilities		**6,454.39**	**4,917.22**	**4,155.72**
Non-financial liabilities				
Current tax liabilities (net)	30	2.06	2.48	12.15
Provisions	18	9.49	7.17	3.97
Other non-financial liabilities	19	3.15	9.16	12.33
Total non-financial liabilities		**14.70**	**18.81**	**28.45**
Total liabilities		**6,469.09**	**4,936.03**	**4,184.17**
EQUITY				
Equity share capital	20	54.66	54.66	54.66
Other equity	21	1,463.99	1,295.25	1,157.68
Equity attributable to the owners of the Holding Company		**1,518.65**	**1,349.91**	**1,212.34**
Non-controlling interest		**26.02**	**22.62**	**20.51**
Total equity		**1,544.67**	**1,372.53**	**1,232.85**
Total liabilities and equity		**8,013.76**	**6,308.56**	**5,417.02**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

(₹ in Crores)

		Note no.	Year ended 31 March 2023	Year ended 31 March 2022 (Restated refer note 32)
I.	**Revenue from operations**			
	Interest income	22	843.27	593.45
	Gain on assignment of financial assets (Refer note 32)		71.47	65.55
	Fees and commission income		50.90	21.22
	Net gain on fair value changes	23	22.19	10.02
	Total revenue from operations		**987.83**	**690.24**
	Other income	24	2.43	0.93
	Total income		**990.26**	**691.17**
II.	**Expenses**			
	Finance costs	25	496.01	338.68
	Fees and commission expense		57.24	23.09
	Impairment on financial assets	26	53.36	35.27
	Employee benefits expenses	27	70.70	47.79
	Depreciation, amortization and impairment	28	2.72	2.07
	Others expenses	29	38.58	27.72
	Total expenses		**718.61**	**474.62**
	Profit before exceptional items and tax (I - II)		271.65	216.55
	Exceptional items		-	-
III.	**Profit before tax**		**271.65**	**216.55**
IV.	**Tax expense:**			
	Current tax	30	67.23	55.83
	Excess provision for tax relating to prior years	30	(2.47)	(0.51)
	Net current tax expense		**64.76**	**55.32**
	Deferred tax expense / (credit)	30	1.07	0.03
	Net tax expense		**65.83**	**55.35**
V.	**Profit for the year (III - IV)**		**205.82**	**161.20**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		0.08	(0.09)
	Income tax impact on above		(0.02)	0.03
	Total (A)		**0.06**	**(0.06)**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(24.69)	(10.30)
	Income tax impact on above		6.21	2.59
	Total (B)		**(18.48)**	**(7.71)**
	Other comprehensive income (A+B)		(18.42)	(7.77)
VII.	**Total comprehensive income (V + VI)**		**187.40**	**153.43**
	Less: Share of other comprehensive income for the year attributable to non-controlling interest		(0.42)	0.08
	Other comprehensive income for the year attributable to the owners of the Holding Company		(18.83)	(7.69)
VIII.	**Profit for the year attributable to**			
	Owners of the Holding Company		203.26	159.23
	Non-controlling interest		2.56	1.97
IX.	**Other comprehensive income attributable to**			
	Owners of the Holding Company		(18.84)	(7.69)
	Non-controlling interest		0.42	(0.08)
X.	**Total comprehensive income attributable to**			
	Owners of the Holding Company		184.42	151.54
	Non-controlling interest		2.98	1.89
VIII.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		37.18	29.13
	Diluted (₹)		37.18	29.13

See accompanying notes to the financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2021	54.66
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2021	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2022	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**

(B) OTHER EQUITY

(₹ in Crores)

	Reserves and surplus					Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Reserve fund u/s. 29-C of NHB Act, 1987	Equity component of compound financial instruments	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 1 April 2021	**173.92**	**3.82**	**0.11**	**426.95**	**399.34**	*** 0.00**	**121.07**	**1,125.21**
Impact due to changes in accounting policy	6.48	-	-	-	25.99	-	-	32.47
Restated balance at 1 April 2021 (Refer note 32)	**180.40**	**3.82**	**0.11**	**426.95**	**425.33**	*** 0.00**	**121.07**	**1,157.68**
Profit for the year	-	-	-	-	159.23	-	-	159.23
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	(0.07)	-	-	(0.07)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(6.57)	(6.57)
Transfer to reserve u/s. 45-IC of RBI Act, 1934	31.51	-	-	-	(31.51)	-	-	-
Final dividend on equity shares	-	-	-	-	(8.19)	-	-	(8.19)
Interim dividend on equity shares	-	-	-	-	(6.83)	-	-	(6.83)
Transfer to reserve u/s. u/s. 29-C of NHB Act,1987	-	0.88	-	-	(0.88)	-	-	-
Restated balance at 31 March 2022 (Refer note 32)	**211.91**	**4.70**	**0.11**	**426.95**	**537.08**	*** 0.00**	**114.50**	**1,295.25**
Profit for the year	-	-	-	-	203.26	-	-	203.26
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	0.05	-	-	0.05
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(15.17)	(15.17)
Final Dividend on equity shares	-	-	-	-	(9.57)	-	-	(9.57)
Interim Dividend on equity shares	-	-	-	-	(9.83)	-	-	(9.83)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	40.19	-	-	-	(40.19)	-	-	-
Transfer to reserve u/s. 29-C of NHB Act,1987	-	1.17	-	-	(1.17)	-	-	-
Balance at 31 March 2023	**252.10**	**5.87**	**0.11**	**426.95**	**679.63**	*** 0.00**	**99.33**	**1,463.99**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

(₹ in Crores)

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		271.65		216.55
	Adjustments for :				
	Depreciation and amortisation	2.72		2.07	
	Finance cost	496.01		338.68	
	Impairment on financial assets	53.36		35.27	
	(Profit) / loss on sale of property, plant and equipment	(0.10)		-	
	Interest income	(843.27)		(593.45)	
	Net gain on fair value changes	(2.83)		(2.86)	
	Net gain on sale of investments measured at amortized cost	(1.35)		(0.23)	
	Gain on derecognition of leased asset	-		* 0.00	
			(295.46)		(220.52)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(23.81)**		**(3.97)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(1,496.15)		(769.49)	
	Trade receivables	(3.25)		1.18	
	Advances received against loan agreements	(6.04)		7.97	
	Bank balance other than cash and cash equivalents	(1.82)		(3.36)	
	Other financial asset	(14.85)		(7.01)	
	Other non-financial asset	(5.61)		(1.40)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	0.38		7.85	
	Other financial liabilities	(172.99)		(176.62)	
	Other non-financial liabilities	(6.01)		(3.17)	
	Provisions (Also refer note 34)	2.32	(1,704.02)	3.20	(940.85)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,727.83)**		**(944.82)**
	Interest income received	737.29		548.94	
	Interest income on Investment measured at amortised cost	48.61		10.56	
	Finance cost paid	(484.55)		(354.66)	
	Income tax paid (net)	(61.47)	239.88	(65.30)	139.54
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(1,487.95)**		**(805.28)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(10.95)		(5.34)	
	Proceeds from sale of property, plant and equipments and intangible assets	0.24		0.01	
	Change in Earmarked balances with banks and other free deposit	22.55		(550.46)	
	Interest income from bank deposits	39.46		24.97	
	Purchase of investments	(2,886.72)		(1,192.11)	
	Redemption of investments	2,592.03		902.82	
	Profit on redemption of long term investment	1.35		0.23	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(242.04)**		**(819.88)**

Consolidated Statement of Cash Flows (contd.)

for the year ended 31 March 2023

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of shares (net)	0.01		-	
	Proceeds from debt securities and borrowings	3,193.32		2,060.90	
	Repayments of debt securities and borrowings	(1,283.55)		(1,182.00)	
	Net increase in working capital borrowings	(206.03)		59.38	
	Repayment of lease liabilities	(0.28)		(0.52)	
	Dividends paid including dividend distribution tax	(19.45)		(15.07)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,684.02**		**922.69**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(45.97)**		**(702.47)**
	Cash and cash equivalents at the beginning of the year		284.64		987.11
	Cash and cash equivalents at the end of the year (refer note 1 below)		**238.67**		**284.64**

* Represents amount less than ₹ 50,000

Notes:

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
1.	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	0.23	0.25
	(b) Balances with banks	68.36	247.43
	(c) Bank deposits with original maturity of 3 months or less	170.08	36.96
	Cash and cash equivalents as per the balance sheet	**238.67**	**284.64**

2. The above cash flow statement has been prepared under the "Indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3. The Group as at 31 March 2023 has undrawn borrowing facilities amounting to ₹ 1327.44 crores that may be available for future operating activities and to settle capital commitments.

4. Change in liabilities arising from financing activities

	31 March 2022	Cash flows	Non-cash changes*	31 March 2023
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings (other than debt securities)	3,939.97	1,317.49	(9.89)	5,247.57
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,439.22**	**1,703.74**	**(15.43)**	**6,127.53**

	1 April 2021	Cash flows	Non-cash changes*	31 March 2022
Debt securities	314.12	50.00	(2.09)	362.03
Borrowings (other than debt securities)	3,138.67	808.28	(6.98)	3,939.97
Subordinated liabilities	59.97	80.00	(2.75)	137.22
Total liabilities from financing activities	**3,512.76**	**938.28**	**(11.82)**	**4,439.22**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2023

1. CORPORATE INFORMATION

MAS Financial Services Limited (the "Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited and MASFIN Insurance Broking Private Limited (hereinafter referred to as the "Group") are public companies domiciled in India. The Holding Company is registered as a non deposit taking non-banking finance company ("NBFC") with Reserve Bank of India ("RBI"). MAS Rural Housing & Mortgage Finance Limited is registered as a non deposit taking housing finance company ("HFC") with National Housing Bank ("NHB"). The Group is engaged in the business of providing Micro Enterprise Loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Commercial Vehicle loans ("CV"), loans to NBFCs, housing loans, commercial property loans and project loans for real estate projects to customers especially in the segment of affordable housing in rural and urban areas. MASFIN Insurance Broking Private Limited is acting as an agent in providing insurance services. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited and the National Stock Exchange of India Limited.

The Holding Company's registered office is at 6, Ground Floor, Narayan Chambers, behind Patang Hotel, Ashram Road, Ahmedabad - 380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance and principles of consolidation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Principles of consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on 'Consolidated Financial Statements' specified under Section 133 of the Act.

i) Subsidiary -

Subsidiary is an entity controlled by the Holding Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. 31 March 2023. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

v) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power as at	
				31 March 2023	31 March 2022
MAS Rural Housing & Mortgage Finance Limited	Subsidiary company	India	MAS Financial Services Limited	59.67%	59.67%
MASFIN Insurance Broking Private Limited	Subsidiary company	India	MAS Financial Services Limited	69.00%	0.00%
MASFIN Insurance Broking Private Limited	Associate Company	India	MAS Rural Housing and Mortgage Finance Limited	30.00%	0.00%

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on accrual basis, except for certain financial instruments which are measured at fair value as required by relevant Ind AS.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the "functional currency"). Amounts in the consolidated financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer note 3.8 and note 41.

ii) Effective interest rate ("EIR") method

"The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument."

iii) Impairment of financial asset

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

The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates

For further details on provisions and other contingencies refer note 3.16

v) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

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

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

2.5 Presentation of the Consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Group

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in note 3.8), transaction costs are added to, or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, the financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

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

iii) Financial assets at FVTPL

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

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the EIR method.

3.4 Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Group changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. It is a change in accounting policy which has been implemented with retrospective effect and being presented from the begining of the earliest period i.e. 1 April 2021. Refer note 32 for details.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

ECL are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Group records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. The calculation of ECLs

For retail loans

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default (""EAD"") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS) % LGD = 1 – recovery rate

For retail asset channel ("RAC") and housing finance company ("HFC") loan portfolio

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework (International Regulatory Framework of Banks) for all the level of credit rating portfolio.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EAD and LGDs are reviewed. While at every year end, PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments

When estimating ECL for undrawn loan commitments, the Group estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Group monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk

Definition of default

The definition of default is used in measuring the

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Group has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

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

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

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

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation changes and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method. Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

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.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.All assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

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Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipments - 3 to 15 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is purchased or ready for its intended use.

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.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a

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Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Retirement and other employee benefits

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life Insurance Corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax (i.e. profit attributable to the owners of the parent) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

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Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

3.19 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Holding Company when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

3.20 Repossessed asset

In the normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.21 Security deposit

The security deposits received by the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Group uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4 . STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash on hand	0.23	0.25	0.18
Balances with banks:			
In current / cash credit accounts	68.36	247.43	511.70
Bank deposits with original maturity of 3 months or less (refer note 1 below)	170.08	36.96	475.23
Total cash and cash equivalents	**238.67**	**284.64**	**987.11**

Notes:

1. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
In current accounts (refer note 1 below)	0.12	0.11	0.28
Earmarked balances with banks:			
Unclaimed dividend bank balances (refer note 2 below)	0.02	0.63	0.02
Unspent CSR bank balances	5.34	2.92	-
In fixed deposit accounts:			
Deposits given as security against borrowings and other commitments	22.74	27.46	21.63
Bank deposits with original maturity of more than 3 months (refer note 3 below)	537.07	554.90	10.27
Total bank balance other than cash and cash equivalents	**565.29**	**586.02**	**32.20**

Notes:

1. Balance represents balance with banks in earmarked account i.e. “collection and pay-out account”.
2. Balance amounting to ₹ 0.61 crores was transferred to lien free “current account” after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility.

7. TRADE RECEIVABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Trade receivables considered good-secured	-	-	-
Trade receivables considered good-unsecured	4.30	1.05	2.23
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	
Total trade receivables	**4.30**	**1.05**	**2.23**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous years: ₹ Nil).
2. There is no due by directors or other officers of the Group or any firm or private company in which any director is a partner, a director or a member.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

Trade Receivables ageing schedule as at 31 March 2023

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4.03	0.15	0.12	-	-	4.30
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	0.15	0.46	0.44	-	-	1.05
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 1 April 2021

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	2.23	-	-	-	-	2.23
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

8. LOANS

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(A) (I) Bills Receivables	-	82.38	82.38	-	40.89	40.89	-	-	-
Less: Impairment loss allowance	-	(0.53)	(0.53)	-	(0.31)	(0.31)	-	-	-
Total (A) (I)-Net	**-**	**81.85**	**81.85**	**-**	**40.58**	**40.58**	**-**	**-**	**-**
(II) Term Loans - Gross	6,038.39	128.76	6,167.15	4,630.69	132.36	4,763.05	3,860.71	206.98	4,067.69
Less: Impairment loss allowance	-	(2.76)	(2.76)	-	(3.82)	(3.82)	-	(4.38)	(4.38)
Total (A) (II)-Net	**6,038.39**	**126.00**	**6,164.39**	**4,630.69**	**128.54**	**4,759.23**	**3,860.71**	**202.60**	**4,063.31**
Total (A)-Net	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**
(B) (i) Secured by tangible assets	4,510.85	211.14	4,721.99	3,398.38	173.25	3,571.63	2,785.83	206.98	2,992.81
(ii) Unsecured	1,527.54	-	1,527.54	1,232.31	-	1,232.31	1,074.88	-	1,074.88
Total (B)-Gross	**6,038.39**	**211.14**	**6,249.53**	**4,630.69**	**173.25**	**4,803.94**	**3,860.71**	**206.98**	**4,067.69**
Less: Impairment loss allowance	-	(3.29)	(3.29)	-	(4.13)	(4.13)	-	(4.38)	(4.38)
Total (B)-Net	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**
(C) (I) Loans in India									
(i) Public sector	-	-	-	-	-	-	-	-	-
(ii) Private sector	6,038.39	211.14	6,249.53	4,630.69	173.25	4,803.94	3,860.71	206.98	4,067.69
Total (C)-Gross	**6,038.39**	**211.14**	**6,249.53**	**4,630.69**	**173.25**	**4,803.94**	**3,860.71**	**206.98**	**4,067.69**
Less: Impairment loss allowance	-	(3.29)	(3.29)	-	(4.13)	(4.13)	-	(4.38)	(4.38)
Total (C) (I) -Net	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-	-	-	-
Total C(I) and C(II)	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2023	% to the total Loans and Advances in the nature of loans	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 1 April 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Directors	0.13	0.00%	0.16	0.00%	0.18	0.00%
KMPs	Nil	Nil	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

8.1 An analysis of changes in the gross carrying amount of loans is given below*

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,632.12**	**108.83**	**106.51**	**4,847.46**	**3,950.20**	**95.53**	**65.41**	**4,111.14**
Changes in opening credit exposures (net of repayment and excluding write off)	(3,262.82)	(36.72)	(39.43)	(3,338.97)	(2,768.42)	(27.40)	(23.20)	(2,819.02)
New assets originated (net of repayment)**	4,738.69	68.37	20.77	4,827.83	3,545.89	23.80	17.83	3,587.52
Transfers from Stage 1	(91.83)	39.23	52.60	-	(98.37)	45.98	52.39	-
Transfers from Stage 2	11.85	(50.94)	39.09	-	2.76	(28.24)	25.48	-
Transfers from Stage 3	0.41	-	(0.41)	-	0.28	-	(0.28)	-
Amounts written off	(0.17)	(0.07)	(43.94)	(44.18)	(0.22)	(0.84)	(31.12)	(32.18)
Gross carrying amount closing balance	**6,028.25**	**128.70**	**135.19**	**6,292.14**	**4,632.12**	**108.83**	**106.51**	**4,847.46**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 10)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Group has not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Group has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Group has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**46.38**	**13.38**	**45.19**	**104.95**	**59.77**	**18.95**	**25.18**	**103.90**
Changes in opening credit exposures (net of repayment and excluding write off)	(11.12)	4.50	(10.32)	(16.94)	(20.82)	(3.85)	(1.51)	(26.18)
New assets originated (net of repayment)	25.68	13.15	6.90	45.73	34.50	2.30	9.27	46.07
Transfers from Stage 1	(29.17)	6.56	22.61	-	(27.08)	6.93	20.15	-
Transfers from Stage 2	0.05	(15.18)	15.13	-	0.02	(10.76)	10.74	-
Transfers from Stage 3	* 0.00	-	* 0.00	-	* 0.00	-	* 0.00	-
Amounts written off	-	(0.04)	(25.41)	(25.45)	(0.01)	(0.19)	(18.64)	(18.84)
ECL allowance - closing balance	**31.82**	**22.37**	**54.10**	**108.29**	**46.38**	**13.38**	**45.19**	**104.95**

* Represents amount less than ₹ 50,000

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The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 44.18 crores at 31 March 2023 (31 March 2022: ₹ 32.18 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Group has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 43.

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Group's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Group's internal grades are explained in note 43.1.

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grades								
Performing								
High quality assets	6,028.25	-	-	6,028.25	4,632.12	-	-	4,632.12
Quality assets	-	85.95	-	85.95	-	53.12	-	53.12
Standard assets	-	42.75	-	42.75	-	55.71	-	55.71
Non- performing								
Sub standard assets	-	-	45.96	45.96	-	-	51.61	51.61
Low quality assets	-	-	89.23	89.23	-	-	54.90	54.90
Total	**6,028.25**	**128.70**	**135.19**	**6,292.14**	**4,632.12**	**108.83**	**106.51**	**4,847.46**

9. INVESTMENTS

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total
Investments									
Alternative investment funds	-	38.97	38.97	-	35.59	35.59	-	20.30	20.30
Pass through certificates under securitization transactions	527.76	-	527.76	141.25	-	141.25	65.64	-	65.64
Market linked debentures	-	188.25	188.25	-	262.97	262.97	-	115.67	115.67
Non - convertible debentures	31.62	-	31.62	49.32	-	49.32	-	-	-
Mutual fund units	-	4.68	4.68	-	4.63	4.63	-	-	-
Total – Gross (A)	**559.38**	**231.90**	**791.28**	**190.57**	**303.19**	**493.76**	65.64	135.97	201.61
(i) Investments outside India	-	-	-	-	-	-	-	-	-
(ii) Investments in India	559.38	231.90	791.28	190.57	303.19	493.76	65.64	135.97	201.61
Total (B)	**559.38**	**231.90**	**791.28**	**190.57**	**303.19**	**493.76**	65.64	135.97	201.61
Less: Allowance for Impairment Loss (C)	(0.24)	-	(0.24)	(0.55)	-	(0.55)	(0.03)	-	(0.03)
Total – Net D= (A)-(C)	**559.14**	**231.90**	**791.04**	**190.02**	**303.19**	**493.21**	65.61	135.97	201.58

Notes

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10. OTHER FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Security deposits	1.17	1.00	0.82
Interest accrued but not due on investments	2.43	0.67	0.02
Spread receivable on assigned portfolio	42.61	43.52	43.45
Advances to dealers	7.63	8.14	-
Interest Waiver Receivable From Banks	-	-	0.16
Ex-gratia interest amount under GOI scheme (net of ECL)	-	-	3.63
Other Recievable	7.79	-	-
Total other financial assets	**61.63**	**53.33**	**48.08**

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Crores)

	Property, plant and equipment (a)					Intangible assets (b)		
Nature of assets	**Buildings**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Total**	**Software**	**Other intangibles**	**Total**
Cost								
At 1 April 2021	**6.68**	**3.88**	**2.99**	**2.66**	**16.21**	**0.43**	*** 0.00**	**0.43**
Additions	-	1.27	0.55	1.23	3.05	0.19	-	0.19
Disposals	-	0.01	-	-	0.01	-	-	-
At 31 March 2022	**6.68**	**5.14**	**3.54**	**3.89**	**19.25**	**0.62**	*** 0.00**	**0.62**
Additions	-	1.82	1.26	0.95	4.03	1.04	-	1.04
Disposals	-	-	-	0.42	0.42	-	-	-
At 31 March 2023	**6.68**	**6.96**	**4.80**	**4.42**	**22.86**	**1.66**	*** 0.00**	**1.66**
Depreciation/Amortisation								
At 1 April 2021	**0.43**	**2.06**	**0.85**	**1.42**	**4.76**	**0.34**	*** 0.00**	**0.34**
Depreciation/amortization charge	0.11	0.69	0.31	0.45	1.56	0.06	* 0.00	0.06
Disposal	-	* 0.00	-	-	* 0.00	-	-	-
At 31 March 2022	**0.54**	**2.75**	**1.16**	**1.87**	**6.32**	**0.40**	*** 0.00**	**0.40**
Depreciation/amortization charge	0.11	0.97	0.52	0.56	2.16	0.23	-	0.23
Disposal	-	-	-	0.28	0.28	-	-	-
At 31 March 2023	**0.65**	**3.72**	**1.68**	**2.15**	**8.20**	**0.63**	*** 0.00**	**0.63**
Net block value:								
At 1 April 2021	6.25	1.82	2.14	1.24	11.45	0.09	* 0.00	0.09
At 31 March 2022	6.14	2.39	2.38	2.02	12.93	0.22	* 0.00	0.22
At 31 March 2023	**6.03**	**3.24**	**3.12**	**2.27**	**14.66**	**1.03**	*** 0.00**	**1.03**

* Represents amount less than ₹ 50,000

Note: No revaluation of any class of asset is carried out during the year.

(c) Right-of-use Asset

The details of the right-of-use asset held by the Group is as follows:

Office Premises	
At 1 April 2021	**2.66**
Additions	0.53
Disposals	0.01
At 31 March 2022	**3.18**
Additions	0.89
Disposals	-
At 31 March 2023	**4.07**

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Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

Depreciation	
At 1 April 2021	**2.12**
Additions	0.45
Disposals	* 0.00
At 31 March 2022	**2.57**
Additions	0.32
Disposals	-
At 31 March 2023	**2.89**
Net Block Value:	
At 1 April 2021	0.54
At 31 March 2022	0.61
At 31 March 2023	**1.18**

(d) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.24 crores (31 March 2022: ₹ 1.46 crores and 1 April 2021: ₹ 1.81 crores). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.91% for the year ended 31 March 2023.

Capital work-in-progress	
At 1 April 2021	**50.03**
Additions	2.01
Disposals	-
At 31 March 2022	**52.04**
Additions	5.62
Disposals	-
At 31 March 2023	**57.66**

Capital work in progress aging schedule

(₹ In Crores)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.21	57.66
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	2.02	1.81	2.57	45.64	52.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	1.81	2.57	0.34	45.31	50.03
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Crores)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66
As at 31 March 2022					
MAS headquarters	-	-	-	52.04	52.04
As at 1 April 2021					
MAS headquarters	-	-	-	50.03	50.03

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

(e) Intangible assets under development

Intangible assets under development	
At 1 April 2021	**-**
Additions	0.04
Disposals	-
At 31 March 2022	**0.04**
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**

Intangible assets under development aging schedule

(₹ In Crores)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	0.04	-	-	-	0.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

12. OTHER NON-FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Prepaid expenses	4.48	1.39	0.10
Advances to employees	0.13	0.15	0.17
Re-possessed assets	3.54	1.79	1.76
Balance with Government Authorities	0.21	0.30	0.19
Capital advances	0.02	0.05	-
Gratuity fund [refer note 40(b)]	0.69	0.08	0.05
Other advances	0.81	0.46	0.59
Total	**9.88**	**4.22**	**2.86**

13. PAYABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14.55	14.59	7.28
(b) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.84	1.55	1.01
Total	**16.52**	**16.14**	**8.29**

Notes

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Trade Payables aging schedule

(₹ In Crores)

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	
As at 31 March 2023					
(i) MSME	0.13	-	-	-	0.13
(ii) Others	14.54	-	0.01	-	14.55
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	12.57	1.79	0.22	0.01	14.58
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 1 April 2021					
(i) MSME	-	-	-	-	-
(ii) Others	7.00	0.27	-	0.01	7.27
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a)	Dues remaining unpaid to any supplier at the year end			
	- Principal	0.13	-	-
	- Interest on above	-	-	-
(b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year			
	- Principal paid beyond the appointed date	-	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
(d)	Amount of interest accrued and remaining unpaid	-	-	-
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-	-

14. DEBT SECURITIES (AT AMORTISED COST) (REFER NOTE 14.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured non-convertible debentures	31.25	-	250.00
Secured Market Linked debenture	600.00	365.00	65.00
Less: Unamortised borrowing costs	(3.99)	(2.97)	(0.88)
Total	**627.26**	**362.03**	**314.12**
Debt securities in India	627.26	362.03	314.12
Debt securities outside India	-	-	-
Total	**627.26**	**362.03**	**314.12**

Notes

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14.1 Details of terms of redemption/repayment in respect of debt securities:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Debentures					
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	31.25	-	-	Coupon Rate: Benchmark+173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
500, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures of ₹ 10,00,000 each	-	-	50.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	65.00	65.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	**365.00**	**315.00**		

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15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Term loans (refer note 15.1)			
(i) from banks	3,170.77	1,989.85	1,297.34
(ii) from NHB	28.53	13.02	16.05
(iii) from other parties (financial institutions)	751.98	374.86	365.47
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	20.35	265.87	343.47
(c) Short term loans from banks (Refer note below)	1,304.43	1,264.94	1,127.96
(d) Borrowing under securitisation	-	50.03	-
Less: Unamortised borrowing costs	(28.49)	(18.60)	(11.62)
Total	**5,247.57**	**3,939.97**	**3,138.67**
Secured	5,247.57	3,915.14	3,113.88
Unsecured	-	24.83	24.79
Total	**5,247.57**	**3,939.97**	**3,138.67**
Borrowings in India	5,247.57	3,939.97	3,138.67
Borrowings outside India	-	-	-
Total	**5,247.57**	**3,939.97**	**3,138.67**

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Group and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/ financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Group's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 4.00 % p.a. to 11.55 % p.a. as at 31 March 2023.

Interest rate ranges from 2.90% p.a to 11.00% p.a as at 31 March 2022.

Interest rate ranges from 7.65% p.a to 12.00% p.a as at 1 April 2021.

The Group has not defaulted in repayment of borrowings and interest.

The Group has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts of the Group.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 6631.46 crores (31 March 2022: ₹ 4814.97 crores, 1 April 2021: ₹ 4090.16 crores).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)					
Term Loan - 1	8.00	16.00	24.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	58.33	91.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

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	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 3	-	-	0.01	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	43.95	63.99	80.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	105.00	135.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	133.33	200.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 7	83.33	35.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	70.03	94.98	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 9	27.27	54.55	75.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 10	36.36	50.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 11	-	-	6.26	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 12	-	-	7.79	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 13	12.24	15.81	19.14	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	-	7.29	19.58	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 15	-	2.69	5.23	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 16	-	10.77	20.90	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 17	-	4.49	8.71	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 18	2.58	5.00	7.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 19	10.32	20.00	30.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 20	4.30	8.33	12.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 21	3.40	5.83	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 22	13.60	23.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 23	5.67	9.72	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 24	4.45	6.88	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 25	17.80	27.50	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 26	7.42	11.46	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 27	-	-	2.08	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Company's book debts and loan installments receivables.
Term Loan - 28	13.33	26.67	40.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 29	-	-	45.83	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Company.
Term Loan - 30	-	-	25.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	-	18.25	72.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 32	50.11	77.85	100.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	77.78	100.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	40.00	50.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	24.98	41.66	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	-	1.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	-	4.17	12.50	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 38	-	7.50	37.50	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 39	-	7.35	48.80	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	6.50	26.00	52.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 41	25.50	76.50	127.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	10.00	15.00	20.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	65.99	110.44	154.90	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 44	63.16	84.21	50.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	-	0.04	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.
Term Loan - 46	225.00	285.00	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 47	84.62	-	-	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 48	127.50	-	-	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 49	200.00	-	-	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 50	41.66	-	-	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of company.
Term Loan - 51	25.00	-	-	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 52	75.00	-	-	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 53	33.60	-	-	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 54	83.55	-	-	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 55	50.00	-	-	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 56	87.50	-	-	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 57	142.50	-	-	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 58	93.75	-	-	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 59	150.00	-	-	Repayable in 18 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 60	75.00	-	-	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 61	380.00	-	-	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 62	30.00	-	-	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the company
Term Loan - 63	29.71	-	-	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 64	18.33	-	-	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 65	24.17	-	-	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Company
Term Loan - 66	-	-	2.50	Repayment in 8 Quarterly Instalments from 27 March 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 67	-	-	15.15	Repayment in 8 Quarterly Instalments from 27 December 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 68	5.00	10.00	15.00	Repayment in 36 Monthly Instalments from 03 April 2021	The Term loan shall be secured by exclusive hypothecation of present & future loan receivables of the company created out of the loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 69	1.05	2.85	8.10	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 70	0.39	1.25	3.75	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 71	-	1.25	2.92	Repayment in 24 Quarterly Instalments beginning from 31 July 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 72	0.21	1.04	1.87	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 73	0.83	2.50	4.17	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 74	4.56	6.67	9.02	Repayment in 57 Monthly Instalments starting from 30 October 2020	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 75	21.33	28.79	20.00	Repayment in 60 Monthly Instalments starting from 30 July 2021	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 76	-	-	1.07	Repayment in 28 Quarterly Instalments from 30 April 2014	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 77	-	0.21	1.04	Repayment in 24 Quarterly Instalments beginning from 30 June 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 78	3.74	5.41	7.13	Repayment in 24 Quarterly Instalments starting from 31 January 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 79	2.06	2.90	4.20	Repayment in 24 Quarterly Instalments starting from 30 September 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 80	5.35	7.02	9.65	Repayment in 24 Quarterly Instalments from 31 December 2020	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 81	9.97	11.86	15.11	Repayment in 24 Quarterly Instalments from 30 June 2021	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 82	-	-	8.31	Repayment in 10 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 83	11.10	13.12	19.15	Repayment in 26 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 84	-	-	0.38	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 85	-	-	0.87	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 86	2.08	3.75	5.42	Repayment in 24 Quarterly Instalments from 31 March 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 87	-	-	1.67	Repayment in 36 monthly Instalments from 30 April 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 88	11.11	22.22	33.33	Repayment in 18 Quarterly Instalments from 30 June 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 89	6.49	8.50	-	Repayment in 20 Quarterly Instalments from 25 September 2021	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company should maintain 1.10 time security cover of outstanding amount of term loan on continuous basis during the tenure of term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 90	32.00	20.00	-	Repayment in 10 Quarterly Instalments from 25 June 2022	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 91	8.21	9.64	-	Repayment in 28 Quarterly Instalments from 31 March 2022	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 92	9.00	-	-	Repayment in 20 Quarterly Instalments from 22 December 2022	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 93	25.00	-	-	Repayment in 48 Monthly Instalments from 15 April 2023	First Exclusive charge by way of hypothecation on the company's present and future loan receivables. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 94	9.64	-	-	Repayment in 28 Quarterly Instalments from 8 March 2023	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi
Total term loans from banks	3,170.77	1,989.85	1,297.34		

Note (i):

Interest rate ranges from 8.65% p.a to 11.90% p.a as at 31 March 2023.
Interest rate ranges from 7.80% p.a to 10.30% p.a as at 31 March 2022.
Interest rate ranges from 7.75% p.a to 10.75% p.a as at 1 April 2021.

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from NHB (Refer note ii)					
Term Loan from NHB - 1	1.25	1.76	2.27	Repayment in 39 Quarterly Instalments from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 2	1.48	1.91	2.46	Repayment in 39 Quarterly Instalments from 01 October 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan from NHB - 3	1.38	1.59	1.79	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 4	0.10	0.40	0.70	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 5	2.35	3.08	3.80	Repayment in 60 Quarterly Instalments from 01 July 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 6	2.12	2.44	2.76	Repayment in 39 Quarterly Instalments from 01 October 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 7	0.62	0.74	0.83	Repayment in 39 Quarterly Instalments from 31 July 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 8	0.79	1.11	1.44	Repayment in 51 Quarterly Instalments from 01 July 2014	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 9	6.52	-	-	Repayment in 27 Quarterly Instalments from 01 January 2024	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company.
Term Loan from NHB - 10	1.94	-	-	Repayment in 36 Quarterly Instalments from 01 October 2022	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company.
Term Loan from NHB - 11	5.00	-	-	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 12	4.73	-	-	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 13	0.27	-	-	Repayment in 40 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Bank Guarantee of ICICI Bank Ltd.
Total term loans from NHB	**28.53**	**13.02**	**16.05**		

Note (ii):

Interest rate ranges from 2.80% p.a to 8.90% p.a as at 31 March 2023.

Interest rate ranges from 4.68% p.a to 8.90% p.a as at 31 March 2022.

Interest rate ranges from 4.68% p.a to 8.90% p.a as at 1 April 2021.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from others (Refer note iii)					
Term Loans from a Financial Institution - 1	-	-	10.54	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Company.
Term Loans from a Financial Institution - 2	-	-	17.06	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	-	5.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	-	16.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 5	-	7.64	15.97	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 6	8.50	19.83	31.17	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 7	5.33	10.67	16.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 8	25.00	25.00	25.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	25.00	41.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	-	13.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	-	83.30	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	-	0.63	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	120.00	160.00	200.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Term Loans from a Financial Institution - 14	33.33	-	-	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loans from a Financial Institution - 15	62.08	-	-	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 16	50.00	-	-	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 17	135.00	-	-	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 18	129.10	-	-	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 19	85.05	-	-	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
Term Loans from a Financial Institution - 20	-	1.94	5.28	Repayment in 36 Monthly Instalments starting from 30 November 2019	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 21	2.50	5.83	9.17	Repayment in 36 Monthly Instalments starting from 31 January 2021	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 22	15.00	18.98	-	Repayment in 60 Monthly Instalments starting from 15 January 2022	Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL at a minimum cover of 1.10 times. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loans from a Financial Institution - 23	14.42	-	-	Repayment in 60 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of ABFL loan.
Term Loans from a Financial Institution - 24	4.64	-	-	Repayment in 84 Monthly Instalments starting from 1 November 2022	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 25	9.64	-	-	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 26	9.64	-	-	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 27	17.74	-	-	Repayment in 52 Monthly Instalments starting from 15 October 2022	Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL. Personal Guarantee of Mr. Kamlesh Gandhi.
Total term loans from others	**751.98**	**374.86**	**365.47**		

Note (ii):

Interest rate ranges from 7.50% p.a to 11.50% p.a as at 31 March 2023.
Interest rate ranges from 5.75% p.a to 10.00% p.a as at 31 March 2022.
Interest rate ranges from 6.32% p.a to 11.15% p.a as at 1 April 2021.

Note: The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to Nil as at 31 March 2023 (₹ 50.03 crores as at 31 March 2022 and Nil as at 1 April 2021).

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Unsecured debentures (refer note 16.1)	260.00	140.00	60.00
Less: Unamortised borrowing costs	(7.30)	(2.78)	(0.03)
Total	**252.70**	**137.22**	**59.97**
Subordinated liabilities in India	252.70	137.22	59.97
Subordinated liabilities outside India	-	-	-
Total	**252.70**	**137.22**	**59.97**

16.1 Details of terms of repayment in respect of subordinated liabilities:

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Subordinated liabilities					
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	40.00	40.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	-	20.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	25.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	35.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
Total subordinated liabilities	**260.00**	**140.00**	**60.00**		

17. OTHER FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Interest accrued but not due on borrowings	70.55	29.51	22.11
Interest accrued but not due on others	0.08	14.23	25.79
Dues to the assignees towards collections from assigned receivables	213.21	129.80	262.23
Security deposits received from borrowers	1.92	275.96	319.95
Advances received against loan agreements	2.06	8.10	0.13
Unpaid dividend on equity shares	0.02	0.02	0.02
Dealer advances	5.13	2.29	2.67
Lease liability	1.28	0.66	0.66
Provision for Interest on Interest waiver	-	-	0.79
Other payable	16.09	1.29	0.32
Total other financial liabilities	**310.34**	**461.86**	**634.67**

Note:

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

18. PROVISIONS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for employee benefits (Refer note 40)			
Compensated absences	0.17	0.18	0.08
Provision for Gratuity	-	0.08	0.05
Provision for unspent CSR liability	9.32	6.91	3.84
Total provisions	**9.49**	**7.17**	**3.97**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Statutory remittances	2.14	1.51	2.68
Income received in advance	1.01	7.65	9.65
Total other non-financial liabilities	**3.15**	**9.16**	**12.33**

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

20. EQUITY SHARE CAPITAL

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Authorized shares:				
6,40,00,000 :	Equity Shares of ₹ 10 each (As at 31 March 2022: 6,40,00,000 Equity Shares of ₹ 10 each) (As at 1 April 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	64.00	64.00	64.00
2,20,00,000 :	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2022: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
2,20,00,000 :	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2022: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
400 :	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2022: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each) (As at 1 April 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	4.00	4.00	4.00
		112.00	**112.00**	**112.00**
Issued, subscribed and fully paid-up shares:				
5,46,62,043 :	Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2022: 5,46,62,043 Equity Shares of ₹ 10 each) (As at 1 April 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	54.66	54.66	54.66
		54.66	**54.66**	**54.66**

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

(₹ In Crores)

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	54.66	5,46,62,043	54.66
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,46,62,043**	**54.66**	**5,46,62,043**	**54.66**

20.2 Details of shares held by each shareholder holding more than 5% shares:

(₹ In Crores)

Class of shares / Name of shareholder	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares						
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	26,70,920	4.89%	27,52,094	5.03%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

20.3 The Holding Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms / rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per 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 case of interim dividend. In the event of liquidation of the Holding Company, the equity shareholders of the Holding Company will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

20.5 Details of shares held by promoters (including promoter group) of the Company:

(₹ In Crores)

Promoter and promoter group name	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021		% Change during the current year (22-23)
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Equity shares							
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer note above)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%	0.57%
Prarthana Marketing Private Limited	13,17,557	2.41%	13,12,557	2.40%	13,10,057	2.40%	0.38%
Anamaya Capital LLP	99,994	0.18%	94,994	0.17%	94,994	0.17%	5.26%
Dhvanil K. Gandhi	35,277	0.06%	34,619	0.06%	34,619	0.06%	1.90%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	12,054	0.02%	0.00%

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Reserve under section 45-IC of Reserve Bank of India Act, 1934 (the "RBI Act, 1934")		
Outstanding at the beginning of the year	211.91	180.40
Additions during the year	40.19	31.51
Outstanding at the end of the year	**252.10**	**211.91**
Equity component of compound financial instruments- optionally convertible preference shares		
Outstanding at the beginning of the year	0.11	0.11
Additions during the year	-	-
Outstanding at the end of the year	**0.11**	**0.11**
Reserve fund under section 29C of The National Housing Bank Act, 1987 ("NHB Act")		
Opening balance		
a. Statutory reserve u/s 29C of NHB Act	0.27	0.02
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	4.43	3.80
c. Total	**4.70**	**3.82**
Addition / appropriation / withdrawal during the year		
Add:		
a. Amount transferred u/s 29C of the NHB Act	0.33	0.25
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	0.84	0.63
Less:		
a. Amount appropriated u/s 29C of NHB Act	-	-
b. Amount withdrawn from special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	-	-
Closing balance		
a. Statutory reserve u/s 29C of NHB Act	0.60	0.27
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	5.27	4.43
c. Total	**5.87**	**4.70**

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Securities premium		
Outstanding at the beginning of the year	426.95	426.95
Additions during the year	-	-
Outstanding at the end of the year	**426.95**	**426.95**
Retained earnings		
Outstanding at the beginning of the year	537.08	425.33
Profit for the year	203.26	159.23
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	0.05	(0.07)
	740.39	**584.49**
Appropriations:		
Transfer to reserve under section 45-IC of the RBI Act,1934	(40.19)	(31.51)
Reserve u/s.29C of NHB Act and special reserve u/s 36(1)(viii) of Income-tax Act, 1961	(1.16)	(0.87)
Final dividend on equity shares	(9.57)	(8.20)
Interim dividend on equity shares	(9.84)	(6.83)
Total appropriations	**(60.76)**	**(47.41)**
Retained earnings	**679.63**	**537.08**
Other comprehensive income		
Outstanding at the beginning of the year	114.50	121.07
Loans and advances through other comprehensive Income	(25.24)	(10.18)
Impairment on loans and advances through OCI	3.72	1.05
Income tax relating to items that will be reclassified to profit or loss	6.35	2.56
Other comprehensive income for the year, net of tax	**99.33**	**114.50**
Total other equity	**1,463.99**	**1,295.25**

21.1 Nature and purpose of reserve

1. Reserve u/s. 45-IC of the RBI Act, 1934

   Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45-IC(1) of the RBI Act, 1934. As per Section 45-IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2. Reserve fund u/s. 29C of NHB Act

   Special reserve has been created in terms of section 36(1) (viii) of the Income-tax Act, 1961 out of the distributable profits of the subsidiary company. As per section 29C of NHB Act, the subsidiary company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any special reserve created by the subsidiary company in terms of section 36(1) (viii) of the Income-tax Act, 1961 is considered an eligible transfer.

3. Equity component of compound financial instruments - optionally convertible preference shares

   Equity component of compound financial instruments represents equity component of OCPS of subsidiary company.

4. Securities premium

   Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 the Act.

5. Retained earnings

   Retained earnings is the accumulated available profit of the Group carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

   The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

   i) actuarial gains and losses;

   ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

   iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

6. Other comprehensive income

On equity investments

The Holding Company has elected to recognise changes in the fair value of investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from these reserves to retained earnings when the relevant equity securities are derecognised.

On loans

The Group recognises changes in the fair value of loans and advances in OCI. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Group transfers amounts from these reserves to retained earnings when the loans and advances are sold. Further, impairment loss allowances on the loans measured at FVOCI are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Crores)

	31 March 2023	31 March 2022
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	9.57	8.20
Interim dividend for 31 March 2023: ₹ 1.80 per share (31 March 2022 : ₹ 1.25 per share)	9.84	6.83
Total dividends paid	**19.41**	**15.03**

(₹ In Crores)

	31 March 2023	31 March 2022
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	**10.11**	**9.57**

22. INTEREST INCOME

(₹ In Crores)

	Year ended 31 March 2023			Year ended 31 March 2022		
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	Total
Interest on loans	710.19	22.92	733.11	521.05	24.15	545.20
Interest income from investments	-	50.37	50.37	-	11.21	11.21
Interest on deposits with banks	-	39.46	39.46	-	24.97	24.97
Other interest income	3.69	16.64	20.33	2.93	9.14	12.07
Total	**713.88**	**129.39**	**843.27**	**523.98**	**69.47**	**593.45**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on financial instruments at fair value through profit or loss - investments	22.19	10.02
Fair value changes:		
- Realised	19.35	7.17
- Unrealised	2.83	2.86
Total	**22.19**	**10.02**

24. OTHER INCOME

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net gain/(loss) on derecognition of property, plant and equipment	0.10	* 0.00
Net gain on sale of investments measured at amortized cost	1.35	0.23
Gain on derecognition of leased asset (31 March 2022: ₹ 7,364)	-	-
Income from non-financing activity	0.98	0.70
Total	**2.43**	**0.93**

* Reresents amount less than ₹ 50,000

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on borrowings	368.19	242.24
Interest on debt securities	51.76	38.88
Interest on subordinated liabilities	14.70	10.20
Other interest expense	36.03	29.63
Other borrowing cost	25.23	17.68
Lease liability interest obligation	0.10	0.05
Total	**496.01**	**338.68**

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	4.17	1.31
- Expected credit loss (On financial instruments measured at amortised cost)	(0.83)	(0.25)
- Write off (net of recoveries)	42.93	31.20
- Loss on sale of repossessed assets	7.40	2.48
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	(0.31)	0.53
Total	**53.36**	**35.27**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	65.36	44.88
Contribution to provident fund and other funds (Refer note 40 (a))	2.23	1.81
Gratuity expense (Refer note 40 (b))	0.73	0.54
Staff welfare expenses	2.38	0.56
Total	**70.70**	**47.79**

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	2.17	1.56
Amortisation of intangible assets	0.23	0.06
Depreciation on Right-of-use asset	0.32	0.45
Total	**2.72**	**2.07**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

29. OTHER EXPENSES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	3.85	2.72
Rates and taxes	0.22	0.20
Stationery and printing	0.99	0.70
Telephone	0.69	0.61
Electricity	1.05	0.76
Postage and courier	1.01	0.74
Insurance	0.92	0.76
Conveyance	1.43	1.18
Travelling	3.17	1.72
Repairs and maintenance:		
Building	0.58	0.20
Others	1.23	1.47
Professional fees	10.14	5.97
Payment to auditors (refer note below)	0.48	0.53
Director's sitting fees	0.14	0.12
Legal expenses	1.87	0.57
Bank charges	1.49	1.43
Advertisement expenses	1.22	0.83
Sales promotion expenses	0.61	0.18
Recovery contract charges	0.55	0.39
Corporate social responsibility expenditure (Refer note 34)	4.34	4.41
Miscellaneous expenses	2.60	2.23
Total	**38.58**	**27.72**
Note: Payment to auditors		
As auditor:		
Statutory audit	0.21	0.19
Limited review of quarterly results	0.26	0.24
Other services	0.01	0.08
Reimbursements of expenses	-	0.02
	0.48	**0.53**

30. TAX EXPENSE

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

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	67.23	55.83
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.51)
Deferred tax	1.07	0.03
Total tax charge	**65.83**	**55.35**
Current tax	64.76	55.32
Deferred tax	**1.07**	**0.03**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 31 March 2022 is, as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax	271.65	216.55
Applicable tax rate	25.168%	25.168%
Computed tax expense	68.37	54.50
Tax effect of :		
Exempted income	(0.30)	(0.21)
Additional deduction	(0.32)	(0.24)
Non deductible items	1.28	2.00
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.51)
Others	(0.73)	(0.19)
Tax expenses recognised in the statement of profit and loss	**65.83**	**55.35**
Effective tax rate	24.23%	25.56%

30.2 Deferred tax

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	14.21	11.62
Credit / (charge) for loans and advances through OCI	6.21	2.59
Credit / (charge) for remeasurement of the defined benefit liabilities	(0.02)	0.03
Credit / (charge) to the statement of profit and loss	(1.07)	(0.03)
At the end of year DTA / (DTL)	**19.33**	**14.21**

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

(₹ In Crores)

	As at 31 March 2022	Statement of profit and loss	OCI	As at 31 March 2023
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.39)	(0.07)	-	(0.46)
Impact of fair value of assets	(1.07)	(0.02)	6.21	5.12
Income taxable on realised basis	(10.81)	2.17	-	(8.64)
Deferred tax on prepaid finance charges	(0.16)	(3.78)	-	(3.94)
Impairment on financial assets	26.56	0.76	-	27.32
Recognition of lease asset and right to use asset	0.02	0.01	-	0.03
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**14.21**	**(1.07)**	**6.19**	**19.33**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	As at 1 April 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.35)	(0.04)	-	(0.39)
Impact of fair value of assets	(3.66)	-	2.59	(1.07)
Income taxable on realised basis	(10.74)	(0.07)	-	(10.81)
Deferred tax on prepaid finance charges	0.09	(0.25)	-	(0.16)
Impairment on financial assets	26.16	0.40	-	26.56
Recognition of lease asset and right to use asset	0.04	(0.02)	-	0.02
Expenses allowable on payment basis	0.08	(0.05)	0.03	0.06
Total	**11.62**	**(0.03)**	**2.62**	**14.21**

30.3 Current tax liabilities

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for tax [net of advance tax of ₹ 65.17 crores (31 March 2022: ₹ 53.35 crores and 1 April 2021: ₹ 47.20 crores)]	2.06	2.48	12.15

30.4 Income tax assets

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Income tax assets [net of provision for tax of ₹ 251.86 crores (31 March 2022: ₹ 281.04 crores and 1 April 2021: ₹ 222.94 crores)]	2.52	6.23	5.92

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to the owners of the Holding Company (basic)	**203.26**	**159.23**
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	37.18	29.13

(B) Diluted earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to the owners of the Holding Company (diluted)	203.26	159.23
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	37.18	29.13

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

32. CHANGES IN ACCOUNTING POLICIES

The accounting policies and practices followed in the preparation of the consolidated financial statements for the year ended 31 March 2023 are the same as those followed in the preparation of the consolidated financial statements for the year ended 31 March 2022, except for the change in accounting policy as explained in below paras.

Till 31st December 2022, gain on assignment of financial asset was recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and was amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. Such policy was adopted by the management for more prudent and fair presentation of financial statements by exercising their judgement under para 19 of Ind AS 1 "Presentation of financial statements". During the quarter ended 31 March 2023, the Group has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio.

The new accounting policy has been implemented retrospectively and being presented from the beginning of the earliest period i.e. 1 April 2021. On account of new policy, in case of derecognition of loans upon assignment prior to 1 April 2021, where underlying residual terms of the assigned portfolio was falling on or after 1 April 2021, the Group has increased other equity by ₹ 32.48 crores, increased non-controlling interest by ₹ 0.04 crores, decreased the deferred tax assets by ₹ 10.94 crores, decreased spread on assigned assets by ₹ 1.66 crores and decreased unearned income on assigned loans under the head other non-financial liabilities of ₹ 45.12 crores.

Had the Group not revised its policy, other equity would have decreased by ₹ 31.10 crores, non-controlling interest would have decreased by ₹ 0.10 crores, deferred tax assets would have increased by ₹ 10.51 crores and liability on unearned income would have increased by ₹ 41.71 crores as at 31 March 2023. Had the Group followed the accounting policy which it followed hitherto, the Group would have recognized gain on assignment (on amortised basis) of ₹ 20.16 crores and ₹ 72.19 crores for the quarter ended 31 March 2023 and year-to-date results for the period from 1 April 2022 to 31 March 2023, respectively. As per the new policy, the Group has recognized gain on assignment of ₹ 20.32 crores and ₹ 71.47 crores for the quarter ended 31 March 2023 and year-to-date results for the period from 1 April 2022 to 31 March 2023, respectively. Accordingly, gain on assignment would have decreased by ₹ 0.16 crores and deferred tax expense would have decreased by ₹ 0.04 crores for the quarter ended 31 March 2023 and gain on assignment would have increased by ₹ 0.72 crores and deferred tax expense would have increased by ₹ 0.18 crores for year-to-date results for the period from 1 April 2022 to 31 March 2023.

As per the requirement of Ind AS 8, the Company has restated the financial information of previous financial year 2021-22 to reflect the change in accounting policy as explained above. The following table summarises the reconciliation of figures restated with previously reported figures. The tables show the adjustments recognised for each individual line item.

(₹ In Crores)

Consolidated Balance Sheet	31 March 2022 as originally presented*	Adjustment	31 March 2022 (Restated)	31 March 2021 as originally presented*	Adjustment	1 April 2021 (Restated)
ASSETS						
Financial assets						
Cash and cash equivalents	284.64	-	284.64	987.11	-	987.11
Bank balance other than cash and cash equivalents	586.02	-	586.02	32.20	-	32.20
Trade receivables	1.05	-	1.05	2.23	-	2.23
Loans	4,799.81	-	4,799.81	4,063.31	-	4,063.31
Investments	493.21	-	493.21	201.58	-	201.58
Other financial assets	55.52	(2.19)	53.33	49.74	(1.66)	48.08
Total financial assets	**6,220.25**	**(2.19)**	**6,218.06**	**5,336.17**	**(1.66)**	**5,334.51**
Non-financial assets						
Income tax assets (net)	6.23	-	6.23	5.92	-	5.92
Deferred tax assets (net)	25.16	(10.95)	14.21	22.56	(10.94)	11.62
Property, plant and equipment	12.93	-	12.93	11.45	-	11.45
Capital work-in-progress	52.04	-	52.04	50.03	-	50.03
Right-of-use asset	0.61	-	0.61	0.54	-	0.54
Intangible assets under development	0.04	-	0.04	-	-	-
Other intangible assets	0.22	-	0.22	0.09	-	0.09
Other non-financial assets	4.22	-	4.22	2.86	-	2.86
Total non-financial assets	**101.45**	**(10.95)**	**90.50**	**93.45**	**(10.94)**	**82.51**
Total assets	**6,321.70**	**(13.14)**	**6,308.56**	**5,429.62**	**(12.60)**	**5,417.02**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Consolidated Balance Sheet	31 March 2022 as originally presented*	Adjustment	31 March 2022 (Restated)	31 March 2021 as originally presented*	Adjustment	1 April 2021 (Restated)
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables	14.59	-	14.59	7.28	-	7.28
(II) Other payables	1.55	-	1.55	1.01	-	1.01
Debt securities	362.03	-	362.03	314.12	-	314.12
Borrowings (other than debt securities)	3,939.97	-	3,939.97	3,138.67	-	3,138.67
Subordinated liabilities	137.22	-	137.22	59.97	-	59.97
Other financial liabilities	461.86	-	461.86	634.67	-	634.67
Total financial liabilities	**4,917.22**	**-**	**4,917.22**	**4,155.72**	**-**	**4,155.72**
Non-financial liabilities						
Current tax liabilities (net)	2.48	-	2.48	12.15	-	12.15
Provisions	7.17	-	7.17	3.97	-	3.97
Other non-financial liabilities	54.87	(45.71)	9.16	57.45	(45.12)	12.33
Total non-financial liabilities	**64.52**	**(45.71)**	**18.81**	**73.57**	**(45.12)**	**28.45**
Total liabilities	**4,981.74**	**(45.71)**	**4,936.03**	**4,229.29**	**(45.12)**	**4,184.17**
Equity share capital	54.66	-	54.66	54.66	-	54.66
Other equity	1,262.86	32.39	1,295.25	1,125.20	32.48	1,157.68
Equity attributable to the owners of the Holding Company	**1,317.52**	**32.39**	**1,349.91**	**1,179.86**	**32.48**	**1,212.34**
Non-controlling interest	22.44	0.18	22.62	20.47	0.04	20.51
Total equity	**1,339.96**	**32.57**	**1,372.53**	**1,200.33**	**32.52**	**1,232.85**
Total liabilities and equity	**6,321.70**	**(13.14)**	**6,308.56**	**5,429.62**	**(12.60)**	**5,417.02**

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

(₹ In Crores)

Consolidated statement of profit and loss		31 March 2022		
		As originally presented*	Adjustment	Restated
I.	**Revenue from operations**			
	Interest income	593.30	0.15	593.45
	Gain on assignment of financial assets	65.63	(0.08)	65.55
	Fees and commission income	21.22	-	21.22
	Net gain on fair value changes	10.02	-	10.02
	Total revenue from operations	**690.17**	**0.07**	**690.24**
	Other income	0.93	-	0.93
	Total income	**691.10**	**0.07**	**691.17**
II.	**Expenses**			
	Finance costs	338.68	-	338.68
	Fees and commission expense	23.09	-	23.09
	Impairment on financial assets	35.27	-	35.27
	Employee benefits expenses	47.79	-	47.79
	Depreciation and amortization	2.07	-	2.07
	Others expenses	27.72	-	27.72
	Total expenses	**474.62**	**-**	**474.62**
	Profit before exceptional items and tax (I - II)	**216.48**	**0.07**	**216.55**
	Exceptional items	-	-	-
III.	**Profit before tax**	**216.48**	**0.07**	**216.55**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Consolidated statement of profit and loss			31 March 2022		
			As originally presented*	Adjustment	Restated
IV.	**Tax expense:**				
	Current tax		55.83	-	55.83
	Excess provision for tax relating to prior years		(0.51)	-	(0.51)
	Net current tax expense		**55.32**	**-**	**55.32**
	Deferred tax (credit) / charge		0.01	0.02	0.03
	Net tax expense		**55.33**	**0.02**	**55.35**
V.	**Profit for the year (III - IV)**		**161.15**	**0.05**	**161.20**
VI.	**Other comprehensive income**				
	(A)	Items that will not be reclassified to profit or loss:			
		Re-measurement of the defined benefit liabilities	(0.09)	-	(0.09)
		Income tax impact on above	0.03	-	0.03
	Total (A)		(0.06)	-	(0.06)
	(B)	Items that will be reclassified to profit or loss:			
		Loans and advances through other comprehensive Income	(10.30)	-	(10.30)
		Income tax impact on above	2.59	-	2.59
	Total (B)		(7.71)	-	(7.71)
	Other comprehensive income (A+B)		**(7.77)**	**-**	**(7.77)**
VII.	**Total comprehensive income for the year (V + VI)**		**153.38**	**0.05**	**153.43**
VIII.	**Earnings per equity share (of ₹ 10 each):**				
	Basic (₹)		29.14	(0.01)	29.13
	Diluted (₹)		29.14	(0.01)	29.13

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(A)	**Contingent liabilities**			
I)	In respect of disputed income-tax matters : (Refer note i)	0.12	-	-
(B)	**Commitments**			
I)	Estimated amount of contracts remaining to be executed on capital account and not provided for:			
	Property, plant & equipment and Capital work in progress	1.39	1.38	-
II)	Loan commitments for sanctioned but not disbursed amount	**13.19**	**51.65**	**5.58**

Notes:

i) After adjusting the amount of refund claimed by the Group amounting ₹ 0.33 Crore.

ii) The Group's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Group for the last three financial years was ₹ 216.94 crores, basis which the Group was required to spend ₹ 4.34 crores towards CSR activities for the current financial year (31 March 2022: ₹ 4.41 crores).

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

a) Amount spent during the year on:

(₹ In Crores)

Particulars	31 March 2023			31 March 2022		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	0.28	3.98	4.26	0.42	3.99	4.41

b) The Group has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of ongoing projects

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
2022-23	-	6.91	4.26	0.28	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2020-21	Nil	N.A.	4.18	0.34	-	3.84	-

Note: Unspent CSR amount of ₹ 3.84 crores and ₹ 3.99 crores for FY 2020-21 and FY 2021-22 respectively was deposited in unspent CSR bank account on 28 April 2021 and 25 April 2022 respectively. Unspent amount of ₹ 3.98 crores available with the Group is transferred to an unspent CSR account on 27 April 2023

d) Reason for shortfall: The Group has ongoing projects and it is spending the said amount as per pre-approved ongoing projects. For more details, refer annexure of Director's report on CSR.

e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35. SEGMENT REPORTING:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – 'Operating Segments'.

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Key management personnel ("KMP") (where there are transactions)	Mr. Kamlesh C. Gandhi (Chairman and Managing Director)
		Mr. Mukesh C. Gandhi (Whole Time Director and Chief Financial Officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and Chief Executive Officer)
		Mr. Balabhaskaran Nair (Independent Director)
		Mr. Umesh Shah (Independent Director)
		Mr. Chetanbhai Shah (Independent Director)
		Mrs. Daksha Shah (Independent Director)
2	Other related parties (where there are transactions)	Prarthna Marketing Private Limited
		Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (Relative of KMP)
		Mr. Dhvanil K. Gandhi (Relative of KMP)
		Mr. Saumil D. Pandya (Relative of KMP)
		Ms. Dhriti K. Gandhi (Relative of KMP)
		Mrs. Pauravi Umesh Shah (Relative of KMP)
		Umesh Rajanikant Shah HUF

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Transactions with related parties are as follows:

(₹ In Crores)

	Year ended 31 March 2023		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	5.74	0.95	6.69
Dividend paid	7.22	5.70	12.92
Sitting fees	0.12	-	0.12

(₹ In Crores)

	Year ended 31 March 2022		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	4.15	0.79	4.94
Dividend paid	6.21	4.91	11.12
Sitting fees	0.11	-	0.11

Balances outstanding from related parties are as follows:

(₹ In Crores)

	As at 31 March 2023		
	Key management personnel	Other related parties	Total
Loans and advances given	0.13	-	0.13
Bonus payable	0.31	0.03	0.34

(₹ In Crores)

	As at 31 March 2022		
	Key management personnel	Other related parties	Total
Loans and advances given	1.55	-	1.55
Bonus payable	0.23	0.02	0.25

(₹ In Crores)

	As at 1 April 2021		
	Key management personnel	Other related parties	Total
Loans and advances given	0.18	-	0.18
Bonus payable	0.01	0.02	0.03

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Compensation to key management personnel are as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	5.74	4.15
Post-employment benefits	0.02	0.01
Other long term employment benefits	(0.01)	0.04
	5.75	**4.20**

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

37. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2023 , 31 March 2022 and 1 April 2021. The column 'net amount' shows the impact of Group's balance sheet if all the set-off rights were exercised.

(₹ In Crores)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amount	Gross amount offset in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2023					
Loans and advances	6,256.20	9.96	6,246.24	2.00	6,244.24
31 March 2022					
Loans and advances	4,806.17	6.36	4,799.81	290.19	4,509.62
1 April 2021					
Loans and advances	4,093.04	29.73	4,063.31	345.74	3,717.57

Note:

1. ₹ 9.96 crores (31 March 2022: ₹ 6.36 crores, 1 April 2021: ₹ 29.73 crores) represents advances received against loan agreements.
2. ₹ 2.00 crores (31 March 2022: 290.19 crores, 1 April 2021: ₹ 345.74 crores) represents security deposits received from borrowers.

38. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE ACT.

As at 31 March 2023 (₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.47%	1,459.21	96.32%	198.22	105.59%	(19.45)	95.40%	178.77
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	3.82%	58.96	2.45%	5.05	(3.31%)	0.61	3.02%	5.66
MASFIN Insurance Broking Private Limited	0.03%	0.48	(0.01%)	(0.01)	0.00%	-	(0.01%)	(0.01)
Non-controlling interest	1.68%	26.02	1.24%	2.56	(2.28%)	0.42	1.59%	2.98
Total	**100.00%**	**1,544.67**	**100.00%**	**205.82**	**100.00%**	**(18.42)**	**100.00%**	**187.40**

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Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

As at 31 March 2022 (₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
HAS Financial Services Limited	94.41%	1,295.77	96.29%	155.21	97.55%	(7.58)	96.23%	147.64
Subsidiary								
HAS Rural Housing & Mortgage Finance Limited	3.94%	54.14	2.49%	4.02	1.42%	(0.11)	2.54%	3.90
Non-controlling interest	1.65%	22.62	1.22%	1.97	1.03%	(0.08)	1.23%	1.89
Total	**100.00%**	**1,372.53**	**100.00%**	**161.20**	**100.00%**	**(7.77)**	**100.00%**	**153.43**

As at 1 April 2021 (₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount
Holding Company		
HAS Financial Services Limited	99.90%	1,231.54
Subsidiary		
HAS Rural Housing & Mortgage Finance Limited	(1.56%)	(19.20)
Non-controlling interest	1.66%	20.51
Total	**100.00%**	**1,232.85**

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	238.67	-	238.67	284.64	-	284.64	987.11	-	987.11
Bank balance other than above	88.80	476.49	565.29	565.29	20.73	586.02	10.82	21.38	32.20
Trade Receivables	4.30	-	4.30	1.05	-	1.05	2.23	-	2.23
Loans	3,666.30	2,579.94	6,246.24	2,863.31	1,936.50	4,799.81	2,380.91	1,682.40	4,063.31
Investments	489.88	301.16	791.04	157.69	335.52	493.21	61.07	140.51	201.58
Other financial assets	46.68	14.95	61.63	43.93	9.40	53.33	40.12	7.96	48.08
Non-financial assets									
Income tax assets (net)	-	2.52	2.52	-	6.23	6.23	-	5.92	5.92
Deferred tax Assets (net)	-	19.33	19.33	-	14.21	14.21	-	11.62	11.62
Property, plant and equipment	-	14.66	14.66	-	12.93	12.93	-	11.45	11.45
Capital work-in-progress	-	57.66	57.66	-	52.04	52.04	-	50.03	50.03
Right-of-use asset	0.43	0.75	1.18	0.19	0.42	0.61	0.49	0.05	0.54
Intangible assets under development	-	0.33	0.33	-	0.04	0.04	-	-	-
Other Intangible assets	-	1.03	1.03	-	0.22	0.22	-	0.09	0.09
Other non-financial assets	9.88	-	9.88	4.22	-	4.22	2.86	-	2.86
Total assets	**4,544.94**	**3,468.82**	**8,013.76**	**3,920.32**	**2,388.24**	**6,308.56**	**3,485.61**	**1,931.41**	**5,417.02**

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Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES									
Financial liabilities									
Trade payables	14.68	-	14.68	14.59	-	14.59	7.28	-	7.28
Other payables	1.84	-	1.84	1.55	-	1.55	1.01	-	1.01
Debt securities	522.26	105.00	627.26	64.65	297.38	362.03	249.76	64.36	314.12
Borrowings (other than debt securities)	2,726.34	2,521.23	5,247.57	2,457.43	1,482.54	3,939.97	2,144.77	993.90	3,138.67
Subordinated liabilities	-	252.70	252.70	40.00	97.22	137.22	19.97	40.00	59.97
Other financial liabilities	306.02	4.32	310.34	314.12	147.74	461.86	494.23	140.44	634.67
Non-financial liabilities									
Current tax liabilities (net)	2.06	-	2.06	2.48	-	2.48	12.15	-	12.15
Provisions	9.37	0.12	9.49	7.02	0.15	7.17	3.91	0.06	3.97
Other non-financial liabilities	3.15	-	3.15	6.29	2.87	9.16	8.41	3.92	12.33
Total liability	**3585.72**	**2883.37**	**6,469.09**	**2,908.13**	**2,027.90**	**4,936.03**	**2,941.49**	**1,242.68**	**4,184.17**
Net	**959.22**	**585.45**	**1,544.67**	**1,012.19**	**360.34**	**1,372.53**	**544.12**	**688.73**	**1,232.85**

40. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Group's contribution to provident fund aggregating ₹ 1.92 Crore (31 March 2022: ₹ 1.51 Crore) and employee state insurance scheme aggregating ₹ 0.13 Crore (31 March 2022: ₹ 0.15 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plans:

Gratuity

The Group operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age / resignation date.

The defined benefit plans expose the Group to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Group, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under:

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
i.	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Present value of defined benefit obligations at the beginning of the year	3.67	3.05
	Current service cost	0.76	0.56
	Interest cost	0.25	0.20
	Benefits paid	(0.21)	(0.20)
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	Change in demographic assumptions	(0.18)	(0.07)
	Change in financial assumptions	(0.07)	(0.03)
	Experience adjustments	0.01	0.16
	Present value of defined benefit obligations at the end of the year	**4.23**	**3.67**
ii.	**Reconciliation of opening and closing balances of the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	3.67	3.05
	Interest income	0.28	0.22
	Return on plan assets excluding amounts included in interest income	(0.16)	(0.03)
	Contributions by employer	1.34	0.63
	Benefits paid	(0.21)	(0.20)
	Fair value of plan assets at the end of the year	**4.92**	**3.67**
iii.	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of defined benefit obligations at the end of the year	4.23	3.67
	Fair value of plan assets at the end of the year	4.92	3.67
	Net asset / (liability) recognized in the balance sheet as at the end of the year	**0.69**	*** 0.00**

* Represents amount less than ₹ 50,000

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
v. Expense recognised during the Year		
Current service cost	0.76	0.56
Interest cost	(0.03)	(0.02)
Expenses recognised in the statement of profit and loss	0.73	0.54
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(0.07)	(0.03)
Due to change in demographic assumption	(0.18)	(0.07)
Due to experience adjustments	0.01	0.16
Return on plan assets excluding amounts included in interest income	0.16	0.03
Components of defined benefit costs recognised in other comprehensive income	**(0.08)**	**0.09**
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.30%	6.95%
Rate of return on plan assets (p.a.)	7.30%	6.95%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	30.00%	20.00%
26 to 35	25.00%	15.00%
36 to 45	20.00%	10.00%
46 to 55	15.00%	5.00%
56 and above	15.00%	5.00%

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

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit obligation (Base)	4.23	3.67

(₹ In Crores)

	Year ended 31 March 2023		Year ended 31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	4.33	4.13	3.83	3.51
(% change compared to base due to sensitivity)	2.36%	(2.36%)	4.52%	(4.21%)
Salary growth rate (- / + 0.5%)	4.14	4.31	3.54	3.80
(% change compared to base due to sensitivity)	(2.13%)	1.89%	(3.48%)	3.70%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	4.26	4.20	3.69	3.65
(% change compared to base due to sensitivity)	0.71%	(0.71%)	0.49%	(0.48%)

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

ix. Asset liability matching strategies

The Group contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 4.91 to 5.11 years.

	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	0.76	11.40%
2nd Following year	0.66	10.25%
3rd Following Year	0.60	8.90%
4th Following Year	0.53	8.10%
5th Following Year	0.47	7.70%
Sum of years 6 to 10	1.83	28.20%

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 0.77 crores.

(c) Other long term employee benefits

The liability for compensated absences is ₹ 0.17 crores (31 March 2022: ₹ 0.18 crores and 1 April 2021: ₹ 0.08 crores).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

41. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 measurement).

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Group has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Group has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Crores)

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	6,038.39	-	-	-	6,038.39	6,038.39
Investments measured at FVTPL	-	-	231.90	181.45	50.45	-	231.90
	-	**6,038.39**	**231.90**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	238.67	-	-	238.67	-	-	238.67
Bank balance other than cash and cash equivalents[2]	565.29	-	-	565.29	-	-	565.29
Trade receivables	4.30	-	-	-	-	4.30	4.30
Loans measured at amortised cost	207.85	-	-	-	-	207.66	207.66
Investment measured at amortised cost	559.14	-	-	-	-	559.53	559.53
Other financials asset	61.63	-	-	-	-	62.92	62.92
	1,636.88	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	14.68	-	-	-	-	14.68	14.68
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	5,247.57	-	-	-	-	5,273.41	5,273.41
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00
Other financial liabilities	310.34	-	-	-	-	310.34	310.34
	6,454.39	**-**	**-**				

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Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,630.69	-	-	-	4,630.69	4,630.69
Investments measured at FVTPL	-	-	303.19	267.62	35.57	-	303.19
	-	**4,630.69**	**303.19**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	284.64	-	-	284.64	-	-	284.64
Bank balance other than cash and cash equivalents	586.02	-	-	586.02	-	-	586.02
Trade receivables	1.05	-	-	-	-	1.05	1.05
Loans measured at amortised cost	169.12	-	-	-	-	173.83	173.83
Investment measured at amortised cost	190.02	-	-	-	-	190.58	190.58
Other financials asset	53.33	-	-	-	-	53.29	53.29
	1,284.18	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	14.59	-	-	-	-	14.59	14.59
Other payables	1.55	-	-	-	-	1.55	1.55
Debt securities	362.03	-	-	-	-	383.22	383.22
Borrowings (other than debt securities)	3,939.97	-	-	-	-	3,970.15	3,970.15
Subordinated liabilities	137.22	-	-	-	-	140.20	140.20
Other financial liabilities	461.86	-	-	-	-	461.86	461.86
	4,917.22	**-**	**-**				

(₹ In Crores)

As at 1 April 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,860.71	-	-	-	3,860.71	3,860.71
Investments measured at FVTPL	-	-	135.97	115.67	20.30	-	135.97
	-	**3,860.71**	**135.97**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	987.11	-	-	987.11	-	-	987.11
Bank balance other than cash and cash equivalents	32.20	-	-	32.20	-	-	32.20
Trade receivables	2.23	-	-	-	-	2.23	2.23
Loans measured at amortised cost	202.60	-	-	-	-	202.90	202.90
Investment measured at amortised cost	65.61	-	-	-	-	65.64	65.64
Other financials asset	48.08	-	-	-	-	48.07	48.07
	1,337.83	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	7.28	-	-	-	-	7.28	7.28
Other payables	1.01	-	-	-	-	1.01	1.01
Debt securities	314.12	-	-	-	-	315.21	315.21
Borrowings (other than debt securities)	3,138.67	-	-	-	-	3,155.55	3,155.55
Subordinated liabilities	59.97	-	-	-	-	61.68	61.68
Other financial liabilities	634.67	-	-	-	-	634.67	634.67
	4,155.72	**-**	**-**				

[1] The Group has not disclosed the fair values for cash and cash equivalents, bank balances, investment in debt securities, interest accrued but not due on loans and advances, bank deposits and investment, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

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Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
i) Loans		
Balance at the beginning of the year	4,673.78	3,904.03
Addition during the year	4,782.49	3,541.51
Amount derecognised / repaid during the year	(3,309.03)	(2,731.35)
Amount written off	(42.65)	(30.11)
Gains/(losses) recognised in other comprehensive income	(24.69)	(10.30)
Balance at the end of the year	**6,079.90**	**4,673.78**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Crores)

	Amount, net of tax	
	Increase	Decrease
31 March 2023		
Loans		
Interest rates (50 bps movement)	(14.68)	16.97
31 March 2022		
Loans		
Interest rates (50 bps movement)	(10.94)	11.07
1 April 2021		
Loans		
Interest rates (50 bps movement)	(7.62)	8.00

42. CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

42.1 Capital management

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

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

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

The Group is exposed to credit risk, liquidity risk and market risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

The Group's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ In Crores)

	Carrying Amount		
	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Retail assets	**3,300.73**	**2,494.24**	**1,857.30**
Two wheeler loans	317.60	259.79	195.48
Micro enterprise loans	1,210.59	1,043.16	889.93
Salaried personal loans	247.94	103.40	92.44
Small and medium enterprise loans	1,080.11	832.49	421.46
Commercial vehicle loans	170.04	47.26	41.48
Housing & non-housing loans	274.45	208.14	216.51
Loans to NBFC	2,979.56	2,343.43	2,230.73
Construction finance	**11.85**	**9.79**	**23.11**
Total	**6,292.14**	**4,847.46**	**4,111.14**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Group has staged the assets based on the days past due criteria and other market factors which significantly impacts the portfolio.

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

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime Provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime Provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime Provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime Provision

(ii) Grouping:

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans
b. Micro enterprise loans
c. Salaried personal loans
d. Small and medium enterprise loans
e. Commercial vehicle loans
f. Retail asset channel loans
g. Housing & non-housing loans
h. Construction finance

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default (""PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Group is validated in accordance with its ECL policy.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Group has worked out on PD based on the last five years historical data.

The PDs derived from the vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Group has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of four components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

For RAC and HFC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments and assignments of loans.

The Group has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. Further, the stage 3 EAD for the purpose of the ECL computation is considering when loan became Stage 3 for the first time (for retail loans).

Discounting:

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC and HFC loan portfolio, the Group has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Group, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Stage 1	0.53%	1.00%	1.51%
Stage 2	17.38%	12.29%	19.82%
Stage 3	40.02%	42.43%	38.48%
Amount of expected credit loss provided for	**108.29**	**104.95**	**103.90**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

(iv) *Management overlay*

The Group holds a management and macro-economic overlay of ₹ 23.03 crore as at 31 March 2023 (31 March 2022: ₹ 37.84 crores and 1 April 2021: ₹ 56.23 crores).

(v) *Modification of financial assets*

The Group has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Group monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2023 is ₹ 4.98 crores (31 March 2022 ₹ 18.43 crores and 1 April 2021: ₹ 4.46 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 1.41 crores as at 31 March 2023 (31 March 2022 ₹ 2.22 crores and 31 March 2021: ₹ 1.12 crores). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Group generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

43.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Group is ₹ 1717 Crore spread across 17 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Over the years, the Holding Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Holding Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

(₹ In Crores)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2023									
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39	-	-	738.21
Borrowings (Other than debt securities)	91.30	97.58	249.70	438.24	2,152.57	2,285.55	517.88	18.09	5,850.91
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payable	5.89	2.86	6.53	0.63	0.61	-	-	-	16.52
Lease Liability	0.03	0.13	0.03	0.11	0.19	0.94	0.05	-	1.48
Other financial liabilities	238.85	6.20	5.71	0.90	53.95	3.45	-	-	309.06

(₹ In Crores)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2022									
Debt securities	-	-	-	-	76.59	357.11	-	-	433.70
Borrowings (Other than debt securities)	72.17	76.15	171.31	299.45	1,996.07	1,256.16	400.95	12.35	4,284.61
Subordinated liabilities	0.72	0.88	42.10	2.71	5.33	21.53	21.50	102.16	196.93
Payable	11.73	2.72	0.10	0.30	1.34	-	-	-	16.19
Lease Liability	0.04	0.02	0.02	0.06	0.10	0.32	0.23	-	0.79
Other financial liabilities	164.23	9.85	24.15	43.51	72.17	132.00	11.90	3.37	461.18
As at 1 April 2021									
Debt securities	-	-	-	22.50	261.11	76.30	-	-	359.91
Borrowings (Other than debt securities)	71.73	48.98	120.38	191.44	1,819.88	815.31	267.16	38.52	3,373.40
Subordinated liabilities	-	-	1.30	22.54	2.59	41.18	-	-	67.61
Trade payable	7.25	0.10	0.10	0.29	0.60	-	-	-	8.34
Lease Liability	0.10	0.06	0.07	0.18	0.19	0.07	0.01	-	0.68
Other financial liabilities	292.26	14.49	20.22	49.92	116.75	121.43	13.65	5.28	634.00

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

43.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Group.

(₹ In Crores)

Change in interest rates	Year ended 31 March 2023		Year ended 31 March 2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	176.78	176.78	262.97	262.97
Impact on profit before tax for the year	0.88	(0.88)	1.31	(1.31)
Variable rate lending	3,265.86	3,265.86	2,561.36	2,561.36
Impact on profit before tax for the year	15.84	(15.84)	12.73	(12.73)
Variable rate borrowings	5,106.06	5,106.06	3,748.54	3,748.54
Impact on profit before tax for the year	(25.24)	25.24	(18.83)	18.83

B. Foreign currency risk

The Group does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Group.

44. LEASE DISCLOSURE

Where the Group is the lessee

The Group has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Not later than one year	0.49	0.24	0.60
Later than one year and not later than five years	0.99	0.55	0.08
Later than five years	-	-	-
Total undiscounted lease liabilities	**1.48**	**0.79**	**0.68**
Lease liabilities included in the balance sheet			
Total lease liabilities	**1.28**	**0.66**	**0.66**

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	0.10	0.05
Depreciation charge for the year	0.32	0.45
Expenses relating to short term leases	3.85	2.72

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Amount recognised in the statement of Cashflow	Year ended 31 March 2023	Year ended 31 March 2022
Cash outflow towards lease liability	(0.28)	(0.52)

For addition and carrying amount of right to use asset for 31 March 2023, 31 March 2022 and 1 April 2021, refer note 11(c).

Title deeds of all immovable properties of the Holding Company are held in name of the Holding Company. Further all the lease agreements are duly executed in favour of the Holding Company for properties where the Holding Company is the lessee.

45. TRANSFER OF FINANCIAL ASSETS

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Securitisation			
Carrying amount of transferred assets	-	57.60	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	-	50.03	-
Fair value of assets (A)	-	57.50	-
Fair value of associated liabilities (B)	-	49.95	-
Net position at Fair Value (A-B)	-	7.55	-

45.2 Transferred financial assets that are derecognised in their entirety

The Group has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Direct assignment			
Carrying amount of de-recognised financial asset	1,259.86	1,132.92	1,315.81
Carrying amount of retained financial asset	167.26	152.98	153.44

45.3 Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

46. No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.

47. The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

48. The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

49. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

50. The Group has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2023 are held by the Group in the form of deposits or in current accounts till the time the utilisation is made subsequently.

51. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2023 and 31 March 2022.

52. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the group (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2023 and 31 March 2022.

54. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

55. The Group has not entered into any scheme of arrangement.

56. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Type of income		
Services charges	0.08	0.02
Others	51.47	21.38
Total revenue from contracts with customers	**51.55**	**21.40**
Geographical markets		
India	51.55	21.40
Outside India	-	-
Total revenue from contracts with customers	**51.55**	**21.40**
Timing of revenue recognition		
Services transferred at a point in time	51.55	21.40
Services transferred over time	-	-
Total revenue from contracts with customers	**51.55**	**21.40**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

57. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

58. Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Plan - Act - Achieve

EXCELLENCE THROUGH ENDEAVOURS
MAS
FINANCIAL SERVICES LTD.

The Power of Distribution

MAS Financial Services Limited

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EXCELLENCE THROUGH ENDEAVOURS

MAS

FINANCIAL SERVICES LTD.

The Power of Distribution

27TH ANNUAL REPORT

2021-22

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The reviving economy demonstrated a symbiotic relationship between our vision and our customers' advancement.

EFFICIENT.
AS AN EFFICIENT DISTRIBUTOR OF FINANCIAL SERVICES,
ECONOMICAL.
WE ENSURE THAT OUR CUSTOMERS GET FUNDS AT AFFORDABLE RATES,
EMPOWER.
AND EMPOWERED OUR CUSTOMERS WITH AFFORDABLE CREDIT.

We have been lending to the low- and middle-income sectors, empowering them to invest in productive ventures and join the financial mainstream. Over time, this process of affordable borrowing, investing and achieving growth, brings prosperity to them and encourages them to forge long-lasting relationships with us. As they advance in their business lifecycles, their connections with us get stronger and this enables us to grow. Our expansion and stronger foundations enable us to meet their needs more holistically and efficiently.

We have enkindled a virtuous cycle between the business progress of our customers and our own growth.

Founder and CMD's Message

AS WE MOVE FORWARD, WE INTEND TO STAY ANCHORED TO OUR BELIEF THAT GROWTH ALONG WITH QUALITY IS THE KEY TO ENHANCE SHAREHOLDERS' VALUE.

Dear Shareholders,

The year gone by has been marked by recovery in the economy. It has also endorsed your Company's ability to deliver a strong performance in good and bad times. Although the country experienced two waves of COVID-19 during FY2022 – the second and third wave – which resulted in partial lockdowns in various states and health and economic hardships for citizens, we stayed strong and continued to support our customers.

We resumed our growth path with a 16.27% growth in AUM in FY2022 to ₹ 6,246.8 crore, while our revenue increased from ₹ 593.9 crore to ₹ 657.5 crore and our PAT climbed from ₹ 143.5 crore to ₹ 157.8 crore. I am pleased to declare a final dividend of ₹ 1.75 per equity share as an endeavour to reward the shareholders who have put so much faith in us throughout this journey of more than 25 years.

With respect to our liabilities management, your Company withstood the litmus test very successfully during this most challenging period. The composition of our liability mix ensured healthy ALM and a well diverse resource mix, providing a testimony to its very efficient liability management. Our capital adequacy ratio, as on 31st March 2022, stood at 26.35% against regulatory norms of 15% and our Tier I capital was 23.08% as against requirement of 10%. Our Tier II capital was just 3.27%, which will increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen ALM.

Around 75% of our portfolio is channelled towards MSME loans, which qualifies as Priority Sector Lending. Through direct assignment and co-lending transactions, with door-to-door maturity and derisking, we are further strengthening our liability management. There are sufficient tie-ups for the line of credit under these arrangements also.

Over a longer term horizon too, despite economic up-cycles and down-cycles and various micro and macro headwinds, including demonetisation, GST, the NBFC liquidity crisis and COVID, amongst others, we have displayed resilience and delivered robust and sustainable growth. During the past 15 years, since we first raised capital, our AUM has increased at a CAGR of 24.58% between FY2007 and FY2022 while our PAT and Net Worth have grown at CAGRs of 23.21% and 31.62%, respectively. Our Net Stage 3 Assets remained below 2.00% over the period and we maintained a healthy return on assets and equity. Most importantly, our growth journey was fuelled predominantly from internal accruals which clearly differentiates us in the industry where capital is raised very frequently. All these strong enablers have given us the confidence to expect consistent and steady growth momentum in the future too.

As we move forward, we intend to stay anchored to our belief that growth along with quality is the key to enhance shareholders' value. We anticipate growth for the next five years to be in the range of 20% - 25% with scope to recalibrate it depending on the macro situation, prioritising asset quality and profitability, thereby maintaining healthy ROA and ROCE.

We will continue serving the informal LIG and MIG class of customers spread over rural, semi urban and urban areas leveraging our experience of two and a half decades and striving to add value to our clients.

We also believe that the SME and Housing finance sectors offers huge potential and we plan to maintain adequate focus on these as they are expected to be our key growth drivers. Our distribution network, within our current states in operation, will be strengthened and we will endeavour to provide one of the most efficient financial services, which we term as the Power of Distribution. We will also explore the potentiality of entering into new geographies. Our distribution through various NBFCs, which has exhibited an immaculate track record over a long period of more than 10 years, also plays an important part in serving the underserved efficiently. However, swift expansion of our own distribution network will result in a progressively larger percentage of business being sourced and serviced through our own network.

Technology plays a very important role in increasing reach and efficiencies. Our focus on technology will result in digitising our product cycles. This, along with selective tie-ups with fintechs, will enable us to create an optimum technology platform, which will enable us to deliver the last-mile of credit to our borrowers very effectively and also increase our penetration.

With respect to liability management, we will continue to maintain an ideal debt resource mix, ensuring continuous flows of funds while maintaining optimum utilisation of capital. The assets created by the Company are expected to generate good securitisation/assignment/co-lending demand and this will enable us to de-risk and maintain the off-book portfolio.

Towards achieving operational excellence, we will continue 'Learning and Unlearning', which is a constant endeavour at MAS and will strive to improve the efficiency in all areas of operation.

I would like to take this opportunity to thank all our stakeholders for the confidence that they have placed in us and we look forward to rewarding this trust with sterling and sustainable results. I would especially like to thank our employees and our core team, in particular, for being the bedrock of strength on which we have been able to stay resilient throughout tough times. I sincerely acknowledge the support of all the stakeholders.

Before I sign off, let me reiterate on behalf of Team MAS our commitment to our mission of "Excellence through Endeavours" and maximising shareholders' value.

Kamlesh C. Gandhi
Chairman and Managing Director

Corporate Snapshot

As India progresses towards its aspiration of attaining nationwide financial inclusion, MAS Financial Services supports this larger goal by financially empowering individuals and enterprises, especially those segments that are at the inception of their formal financial journey, with access to credit. Our offerings span retail financing products for MSMEs, home loans, two-wheeler loans, used car loans and commercial vehicle loans. Essentially, we cater to the needs of retail customers, particularly those in the low-income and middle-income segments, and offer enterprise loans to MSMEs.

The Company was registered with the Reserve Bank of India as an NBFC in 1995. Since then, we have expanded our presence in urban, semi-urban and rural areas through 125 branches in 7 territories: Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, and Delhi NCR. By the end of March 2022, we have 6,75,000+ active customers, in formal and informal sectors, often taking financial services to the customers' doorstep.

We have devised alternative means to assess the credibility of our customers, who typically may lack a formal financial sector credit history and adequate paperwork to prove their eligibility. This enables us to gauge the repayment ability of our target borrowers and issues credit to a wider spectrum of target borrowers, without compromising our Return on Capital Employed (RoCE). To ensure an additional layer of security, our people analyse the creditworthiness of our borrowers by engaging with them on a regular basis.

Our aim is to be geographically present in all regions and become a leading lender. To achieve and retain this advantage, we leverage the distribution network of our partners, which include non-banking finance companies (NBFCs), microfinance institution NBFCs, housing finance companies and franchisees – to reach out to those who are financially unserved and under-served.

BOUQUET OF PRODUCTS

Micro Enterprise Loan

The micro-enterprise space in India is vast and full of aspiration. To enable this segment of the economy to achieve growth, we offer micro enterprise loans.

Small & Medium Enterprises (SME) Loan

We have a spectrum of credit offerings for SMEs including machinery loans, industrial shed loans, working capital loans and loans against property.

Two-Wheeler Loan

We empower our self-employed and salaried customers to achieve their dream of personal mobility with our two-wheeler loans.

Commercial Vehicle

Our commercial vehicle loans for both new and used vehicles support entrepreneurs in executing their business distribution strategies more effectively and cost efficiently.

Home Loan

We offer affordable housing loans for middle and low-income individuals for the purchase of new and old houses through our subsidiary - MAS Rural Housing and Mortgage Finance Ltd., which also offers loans for home improvement, purchase and construction of commercial property. We also extend loans to developers for construction of affordable housing projects.

VISION

To be one of the most efficient distributors of financial services and create value on a very large scale.

MISSION

To constantly endeavour, to attain excellence, and create a very wide financial distribution network and to be a catalyst in providing the most efficient financial services which we term as financial inclusion.

BELIEFS

"We have miles to go & Promises to keep..."

"Together we can and we will"

JOURNEY THIS FAR

1995
- Year of incorporation
- Commenced retail finance operations with Two-wheeler and Micro-Enterprise loans

2006
Received first round of capital infusion of ₹ 65 Mn. from Bellwether Micro Fund

2008
- Acquired second and third round of capital infusion worth ₹ 435 Mn. and ₹ 400 Mn. from FMO and ICICI Venture, respectively
- Floated housing finance subsidiary

2011
Listed NCDs on Bombay Stock Exchange

2012
Received the fourth round of capital infusion of ₹ 650 Mn. from DEG

2013
Disbursement & AUM crossed ₹ 10 Bn.

2014
Sarva Capital purchased 50% CCPS held by FMO in secondary deal

2015
- Raised Subordinate Debentures of ₹ 200 Mn.
- AUM crossed ₹ 20 Bn.

2016
- Bank loan rating upgraded to 'IND A' with 'Stable outlook'
- Raised subordinate debentures of ₹ 400 Mn.

2017

- AUM crossed ₹ 30 Bn.
- Motilal Oswal infused capital of ₹ 1,000 Mn.

2018

- Listed Equity Shares on Bombay Stock Exchange & National Stock Exchange
- Received additional capital infusion of ₹ 350 Mn. from Motilal Oswal and raised fresh capital of ₹ 2,330 Mn. through an IPO

2019

- AUM crossed ₹ 50 Bn.
- Bank loan rating upgraded to "ACUITE AA -" with Stable outlook and Short-term rating assigned as ACUITE A1+

2020

- Completed 25 years of operations
- AUM crossed ₹ 60 Bn. on a consolidated basis

2021

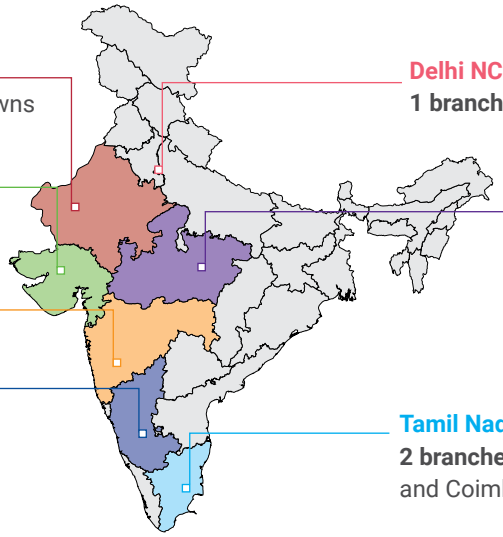
- Inclusive Finance India Award 2020 – NBFC lending to Micro and Small Enterprises
- Raised ₹ 650 Mn. via market-linked NCDs (MLD)

2022

- Consolidated AUM crossed ₹ 65 Bn.
- ASSOCHAM 8th MSMEs Execellence Awards March 2022 – Best MSME Lending of the Year

PAN-INDIA FOOTPRINT

Strong Retail Presence & Distribution Network



Map not to scale. For Illustrative purpose only.

STRATEGIC ADVANTAGES

Vast market opportunity

We meet the financial needs of a large and growing base of retail borrowers who have hitherto been overlooked by the formal financial sector. As aspirations and incomes grow within the country, the size of our market increases.

Wide and deep pan-India reach

With a geographic footprint in 7 territories across the country, with 4,438 service points, and the promise of doorstep delivery of services, we have been able to reach out to customers across the interiors of the country.

Robust Liability Management and Asset Creation

Our capital requirements are met predominantly from internal accruals and we focus on maintaining a healthy ALM. While creating assets, we follow the rule of 'Credit where it is due' which enables us to ensure the right product mix and add value to our unique distribution model.

A broad spectrum of loan products

With our finger on the pulse of our target group of middle- and low-income families, we have been steadily expanding the range of our loan offerings, to include new and customised products, which encourage social mobility and employment prospects.

People-centric approach

While we have technology at our core, to facilitate our employees and customers, we continue to focus on people engagement and satisfaction as our goal. Thanks to our committed employees, we have been able to deliver and delight our customers and earn their loyalty, while supporting our partners and winning the trust of our stakeholders.

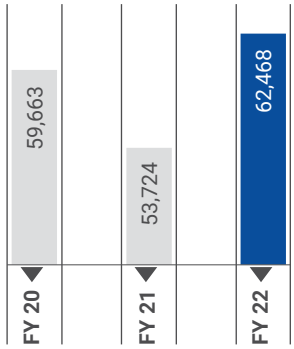
Local partnerships

Through our extensive network of 151 partner companies, we gain access to borrowers in the formal and informal sectors of the urban, semi-urban and rural areas who prefer to deal with local rather than pan-India intermediaries.

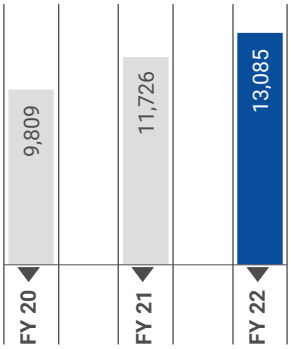
Financial Performance Summary

With a pick-up in economic activity, we have been able to support our customers with renewed funding. In spite of the second and third wave of COVID-19 impacting FY2022, we have staged a good performance at all levels.

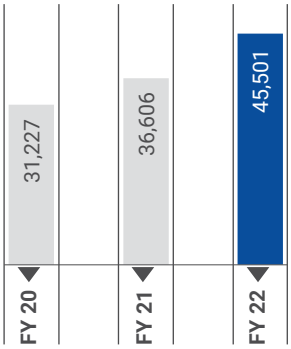
Assets Under Management
(In ₹ Mn.)



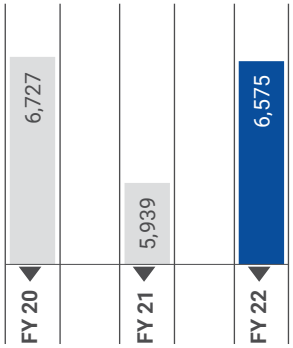
Net Worth
(In ₹ Mn.)



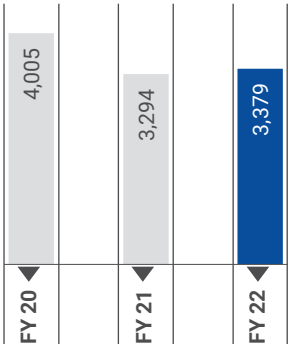
Borrowings
(In ₹ Mn.)



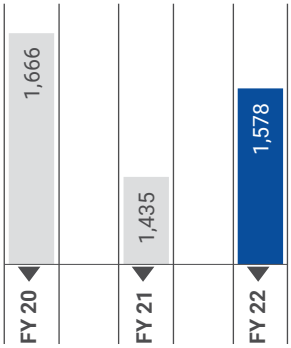
Revenue
(In ₹ Mn.)



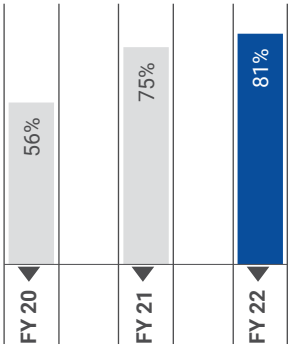
Net Interest Income
(In ₹ Mn.)



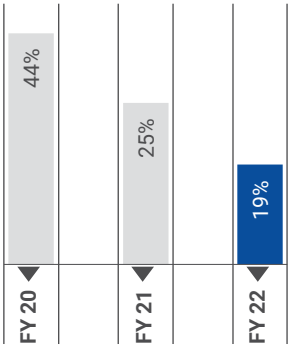
Profit After Tax
(In ₹ Mn.)



On Book AUM
(%)



Off Book AUM
(%)



Facilitators of Robust Growth in the New Normal

- Experience of 27 years
- Agile Management
- Robust Capitalisation
- Quality Portfolio
- Adequate Liquidity

LEVERAGING TECHNOLOGY ACROSS THE SPECTRUM TO HARNESS EFFICIENCY

ORIGINATION

- Centralised Onboarding System to capture new leads data digitally
- Captured Leads authenticated via mobile OTP
- Efficient & Seamless Application Management (Applicant, Co-Applicant & Guarantor)
- Customised Document Upload with pre-defined checklist & input validation
- Preliminary eligibility check (positive/negative) for further credit underwriting

DECISIONING

Assess Creditworthiness through pre-set Business Rules Engine (BRE) & APIs plug-ins

- eKYC – Enables paperless verification of Customer's Identity, Address, DOB etc. (PAN/Aadhaar/DL/EC)
- Credit Bureau Check – Integrated API services to check customer past behaviour, fraud detection/prevention, & trigger bureau score
- Seamless process to fetch Corporate data such as financials, charges, shareholding, associates, litigation/defaults etc. (Corpository Platform)
- Income Analyser Tool – Customer Bank Statement / GSTR are automatically assessed to ensure current income and obligations

OPERATIONS

- Remote Digital Signatures – eSign permits paperless documentation wherein loan agreement is shared digitally with customer for review and e-signing (eSign / eStamp APIs)
- C-KYC management system for fast and accurate compliance
- Customer Engagement – Regular and timely updates to customers via WhatsApp, SMS & Email Services APIs

DISBURSEMENT & COLLECTION

- 100% Cashless / E-disbursement of loan amount
- eNACH permits paperless repayment setup
- Easy e-repayment facility via Paytm, BillDesk, and BharatPe for convenient and timely EMI payment

Celebrating 25 years of MAS

It has been a long and eventful journey and MAS has reasons to be determined for its next phase of stupendous growth. We have come this far due to the commitment and capabilities of our people. To mark the event, we organised a grand get-together for all our people at YMCA, Ahmedabad in May 2022.

Corporate Social Responsibility

At MAS, caring for communities is a way of life. During FY 2021-22, we have initiated various activities and contributed to causes that are close to our heart.

MAS Arogya Abhiyan Donation at CIMS Hospital, Ahmedabad

Shiksha Abhiyan: Computer distribution in the Schools of Rural Areas of Ahmedabad and Gandhinagar, Gujarat

MAS Menstrual Hygiene Programme: Promoting Sanitation in Rural Areas

MAS Menstrual Hygiene Programme: Promoting Sanitation in Rural Areas

Shiksha Abhiyan: Distribution of Books & Bags in the Schools of Rural Areas of Ahmedabad and Gandhinagar, Gujarat

Board of Directors

Mr. Kamlesh C. Gandhi
Founder, Chairman & Managing Director

Mr. Kamlesh C. Gandhi is a proficient and experienced industry practitioner with a brilliant track record, which includes over two decades of managing and propelling the Company's growth. He manages the Company with the guidance and support of the Board and his own understanding and vision are among the key enablers for the consistent performance of the Company. He is the member of Banking and Finance taskforce of Gujarat Chambers of Commerce and Industry, Vice Chairman of Gujarat Finance Company Association, Co-Chairman of FIDC, an industry body of NBFCs, Co-Chairman of ASSOCHAM MSME Development Council and a member of SME Chamber of India. He is also the Managing Trustee of Smt. Urmilaben Chimanlal Gandhi Foundation. The Foundation currently contributes towards the financial needs in health care and education.

Mrs. Darshana S. Pandya
Director & CEO

Mrs. Darshana S. Pandya is responsible for leading the operations at MAS. She is also the driving force behind forging relationships between the Company and its partners which amount to over 100 NBFC-MFIs and NBFCs. After completing her graduation in Commerce, she joined the Company in 1996 as a junior executive. Through her hard work and determination to excel and with support from the management, she has risen to the level of Director & CEO.

Mr. Balabhaskaran N. Nair
Independent Director

Mr. Balabhaskaran N. Nair is a management graduate with two decades of experience in the consultancy and financial sector. Over the years, with his rich work experience, he has gathered a number of management consultancy inputs. He has done his engineering from IIT-Madras, MBA from IIM-Bangalore and CFA from ICFAI.

Mr. Chetan R. Shah
Independent Director

Mr. Chetan R. Shah holds a bachelor's degree in commerce and a degree in law (general) from Gujarat University. He is also a qualified Chartered Accountant registered with the Institute of Chartered Accountants of India. He has over three decades of experience in the financial services sector and has worked with the Natpur Co-operative Bank in the capacity of Manager – Finance.

Mr. Umesh R. Shah
Independent Director

Mr. Umesh R. Shah is a qualified Chartered Accountant. He has over three decades of experience in diverse fields connected with Finance, Accounting, Auditing and Taxation. He also has 5 years of hands-on experience of working in an NBFC.

Mrs. Daksha Niranjan Shah
Independent Director

Mrs. Daksha Niranjan Shah is a business graduate from Indian Institute of Management (IIM), Ahmedabad, where she specialised in Finance and Marketing; she is also a student of Economics and Statistics. She has rich experience of more than three decades in diversified fields of Textiles, Chemicals and Financial services. She has undergone various courses such as the course in Microfinance at the Economic Institute, Boulder, Colorado, USA.

Corporate Information

CORPORATE IDENTIFICATION NO.:
L65910GJ1995PLC026064

REGISTERED OFFICE ADDRESS :
6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009.

LISTED ON STOCK EXCHANGE:
National Stock Exchange of India Limited (NSE) & BSE Limited (Bombay Stock Exchange)

BOARD OF DIRECTORS:
Mr. Kamlesh C. Gandhi
(Chairman & Managing Director) (DIN: 00044852)

Mrs. Darshana S. Pandya
(Director & Chief Executive Officer) (DIN: 07610402)

Mr. Balabhaskaran Narayanan Nair
(Non-Executive Independent Director) (DIN: 00393346)

Mr. Chetan Ramniklal Shah
(Non-Executive Independent Director) (DIN: 02213542)

Mr. Umesh Rajanikant Shah
(Non-Executive Independent Director) (DIN: 07685672)

Mrs. Daksha Niranjan Shah
(Non-Executive Independent Director) (DIN: 00376899)

CHIEF FINANCIAL OFFICER:
Mr. Ankit Jain

COMPANY SECRETARY & COMPLIANCE OFFICER:
Ms. Riddhi Bhaveshbhai Bhayani (Mem. No. A41206)

STATUTORY AUDITORS:
M/s. Mukesh M. Shah & Co.
Chartered Accountants
Firm's Registration No. 106625W

REGISTRAR & SHARE TRANSFER AGENT:
Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India

DEBENTURE TRUSTEE:
CATALYST TRUSTEESHIP LTD.
GDA House, Plot No. 85, Bhusari Colony,
Paud Road, Pune - 411 038
Contact No.: 022-49220555
Email ID: ComplianceCTL-Mumbai@ctltrustee.com

AUDIT COMMITTEE MEMBERS:
Mr. Balabhaskaran Narayanan Nair (Chairman)
Mrs. Darshana Pandya (Member)
Mr. Chetan Ramniklal Shah (Member)
Mr. Umesh Rajanikant Shah (Member)

STAKEHOLDERS RELATIONSHIP COMMITTEE MEMBERS:
Mr. Balabhaskaran Narayanan Nair (Chairman)
Mrs. Darshana Pandya (Member)
Mr. Chetan Ramniklal Shah (Member)

NOMINATION & REMUNERATION COMMITTEE MEMBERS:
Mr. Balabhaskaran Narayanan Nair (Chairman)
Mr. Chetan Ramniklal Shah (Member)
Mr. Umesh Rajanikant Shah (Member)

CSR COMMITTEE MEMBERS:
Mr. Umesh Rajanikant Shah (Chairman)
Mrs. Darshana S. Pandya (Member)
Mr. Balabhaskaran Narayanan Nair (Member)

RISK MANAGEMENT COMMITTEE MEMBERS:
Mr. Chetan Ramniklal Shah (Chairman)
Mrs. Darshana Pandya (Member)
Mr. Umesh Rajanikant Shah (Member)

LIST OF BANKING RELATIONSHIPS & SUBSCRIBERS TO DEBT ISSUES

Axis Bank Limited
Bajaj Finance Limited
Bandhan Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Baroda Gujarat Gramin Bank
Canara Bank
Central Bank of India
DBS Bank India Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC First Bank Limited
Indian Bank
Indian Overseas Bank
IndusInd Bank Limited
Jana Small Finance Bank Limited
Karnataka Bank Limited
Kotak Mahindra Bank Limited
National Bank for Agriculture and Rural Development
Poonawalla Fincorp Limited
Punjab National Bank
SBM Bank (India) Ltd
Shinhan Bank
Small Industries Development Bank of India
State Bank of India
Sundaram Finance Limited
Tamilnad Mercantile Bank Limited
The Federal Bank Limited
The South Indian Bank Limited
Union Bank of India

Notice

NOTICE is hereby given that the Twenty Seventh (27th) Annual General Meeting (AGM) of the members of MAS Financial Services Limited will be held at 11.30 A.M. on Wednesday, August 24, 2022 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2022 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare Final Dividend of ₹ 1.75/- per Equity Share of ₹ 10/- each for the financial year ended on March 31, 2022.

3. To appoint a Director in place of Mrs. Darshana Pandya (DIN: 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To re- appoint Mr. Umesh Shah (DIN: 07685672) as an Independent Director and in this regard to consider and if thought fit to pass the following Resolution, as **Special Resolution**:

   "RESOLVED THAT pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the 'Act'), including the Rules made thereunder read with Schedule IV to the Act and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and other applicable provisions of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Umesh Shah (DIN: 07685672) who was re-appointed by the Board of Directors based on the recommendation of Nomination and Remuneration Committee and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby re-appointed as an Independent Director of the Company for a term of five consecutive years, effective from December 21, 2021 whose office shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT the Board and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

5. Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 up to ₹ 10,000 crores:

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT in supersession of the earlier resolution passed at the 25th Annual General Meeting of the members of the Company held on December 9, 2020, the consent of the members be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

   Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 10,000 crores (Rupees Ten Thousand Crores only).

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

   RESOLVED FURTHER THAT the Board may further delegate the power to committee for the above mentioned matter."

6. Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013:

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT in supersession of the earlier resolution passed at the 25th Annual General Meeting

of the members of the Company held on December 9, 2020 the consent of the members of the Company be and is hereby accorded pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made thereunder, to create security by way of mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and/or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/ or Secured/Unsecured Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1) (c) of the Act (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation/ revaluation/fluctuation in the rate of exchange etc.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

Regd. Office:
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

By order of the Board

Riddhi Bhayani
Company Secretary
& Compliance Officer
(Mem. No. A41206)

Place : Ahmedabad
Date : July 06, 2022

NOTES:

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, and General Circular No.2/2022 dated May 05, 2022 ("MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) including Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated June 03, 2022, has permitted the Companies to conduct the Annual General Meeting ('AGM') through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2022. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 (the 'Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the 27th AGM of the Company shall be conducted through VC/OAVM (hereinafter called 'AGM'). Central Depository Services (India) Limited ("CDSL") will be providing facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note below and is also available on the website of the Company at www.mas.co.in.

2. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circular dated May 13, 2022, Notice of 27th AGM along with the Annual Report for FY2022 is being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice of the 27th AGM and Annual Report for FY2022 will also be available on the Company's website at www.mas.co.in, website of the stock exchanges i.e., BSE Ltd. ('BSE') at www.bseindia.com and National Stock Exchange of India Ltd. ('NSE') at www.nseindia.com and on the website of CDSL at www.evotingindia.com. In this notice, the term member(s) or shareholder(s) are used interchangeably.

3. The deemed venue for 27th AGM shall be the Registered Office of the Company at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009.

4. In terms of Section 152 of the Companies Act, 2013, Mrs. Darshana Pandya, (DIN: 07610402), Director and Chief Executive Officer of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI

Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment/ appointment at this AGM is annexed.

5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from August 18, 2022 to August 24, 2022 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.

6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders with effect from April 01, 2020. Accordingly, the Company is required to deduct tax at source from dividend subject to the approval of payment of dividend to shareholders. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

8. To support the 'Green Initiative', the Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form. Further, members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

9. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to ravi@ravics.com with a copy marked to riddhi_bhayani@mas.co.in

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and pursuant to above mentioned MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

13. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020 and May 05, 2022, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

14. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 16, 2022 (upto 05:00 P.M.) through email on riddhi_bhayani@mas.co.in. The same will be replied by the Company suitably.

15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS 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 Saturday, August 20, 2022 at 09:00 a.m. and ends on Tuesday, August 23, 2022 at 05:00 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 Wednesday, August 17, 2022 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.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and May 13, 2022, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings 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 evoting is in progress as per the information provided by company. On clicking the evoting 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 or joining virtual meeting & voting during the meeting. 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 evoting 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 or joining virtual meeting & voting during the meeting. 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 or joining virtual meeting & voting during the meeting.
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 or joining virtual meeting & voting during the meeting.

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.

(v) Login method for e-Voting and joining virtual meetings 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 Shareholders holding shares in Demat Form other than individual and Physical Form
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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN: 220727017 for the MAS Financial Services Limited on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) 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 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 at his e-mail address ravi@ravics.com and to the Company at the email address viz; riddhi_bhayani@mas.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at riddhi_bhayani@mas.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at riddhi_bhayani@mas.co.in (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDER'S WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 riddhi_bhayani@mas.co.in.

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 attending AGM & 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 - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Other Instructions:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.mas.co.in and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts.

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the Notice.

Item No.: 4. Re- appointment of Mr. Umesh Shah (DIN: 07685672) as an Independent Director:

Mr. Umesh Shah (DIN: 07685672), aged 66 years, is an Independent Director of our Company. He is a qualified Chartered Accountant. He has more than three decades of experience in the diverse fields connected with Finance, Accounting, Auditing and Taxation. He also has 5 years hands-on experience of working in an NBFC. Considering his vast experience the Board felt that the service of Mr. Umesh Shah will be benefited for the growth of Company.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their meetings held on October 27, 2021, subject to approval of Members at the ensuing Annual General Meeting, Mr. Umesh Shah (DIN: 07685672), is appointed as an Independent Director of the Company for second term for a period of 5 years, with effect from December 21, 2021 on the terms and conditions as set out in this item of the Notice and whose office shall be not be liable to retire by rotation.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except Mr. Umesh Shah (DIN: 07685672) is deemed to be interested in this resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the proposed resolution.

The Board recommends the resolutions set forth in the Item No. 4 of the Notice for approval of the Members.

Item No.: 5 & 6

In terms of the provisions of Section 180 (1) (a) and 180 (1) (c) of the Companies Act, 2013 read with applicable rules framed thereunder, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, dispose of its property (including creation of charge on assets of the Company) and borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose). At the 25th Annual General Meeting of the Company held on December 9, 2020, the shareholders had accorded consent to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of ₹ 7,500 Crores (Rupees Seven Thousand Five Hundred Crores only). At the same Annual General Meeting of the Company, the shareholders had accorded consent to the Board of Directors for creation of charges etc. to secure aforesaid borrowings. Considering the Company's future growth plans and requirements of additional funds for operation, modernization, it is proposed to increase the above borrowing limits from the existing 7,500 crores (Rupees Seven Thousand Five Hundred Crores only) to an amount not exceeding at any time a limit of ₹ 10,000 crores (Rupees Ten Thousand Crores only). The proposed borrowings by the Company, if required, is to be secured by mortgage or charge on all or any of the movable or immovable or any other tangible and intangible assets / properties of the Company (both present & future), in favour of any lender including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The resolutions contained in item no. 5 & 6 of the accompanying Notice, accordingly, seek members' approval for increasing the borrowing limits and disposal of the Company's undertaking(s) by creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection with the increase in the borrowing limits and creating charge on Company's properties, respectively.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

The Board recommends the resolutions set forth in the Item Nos. 5 & 6 of the Notice for approval of the Members.

ANNEXURE TO THE EXPLANATORY STATEMENT

INFORMATION AS REQUIRED UNDER REGULATION 36(3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA CERTAIN ADDITIONAL DISCLOSURES IN RESPECT OF DIRECTORS BEING REAPPOINTED / APPOINTED:

Particulars	Retire by Rotation
Name of the Director	Mrs. Darshana S Pandya
DIN	07610402
Date of birth	November 17, 1972
Age	49 Years
Qualification	She holds Bachelor's degrees in Commerce from Gujarat University.
Experience (including expertise in specific functional area) / Brief Resume	She is having vast experience in Finance sector for past 24 years. She joined the company in the year 1996 as a Junior Executive and she is now appointed as a Whole-time Director & CEO of the Company. She is responsible for leading the operations at MAS and also the relationship of the company with its more than 100 NBFC-MFI & NBFC Partners.
Nature of her expertise in specific functional areas	Management & Finance
Terms and Conditions of Re-appointment	N.A.
Remuneration last drawn	₹ 44.06 Lakh (F.Y. 2021-22)
Designation	Whole-time Director and CEO
Remuneration proposed to be paid	As per existing terms and conditions
Date of first appointment on the Board	September 23, 2016
Shareholding in the company	15,434 (0.02%) Equity Shares as on March 31, 2022.
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	NA
Number of Meetings of the Board attended during the year 2021-22	5 (Five)
Names of listed entities in which the person also holds the Directorships	1 (i.e. MAS Financial Services Limited)
Names of listed entities in which the person also holds Membership of Committees of Board.*	1. Member of Audit Committee (MAS Financial Services Limited); 2. Member of Stakeholders' Relationship Committee (MAS Financial Services Limited).
Chairman / Director of other Company	1. MAS Rural Housing & Mortgage Finance Limited (Director); 2. Prarthna Marketing Private Limited (Director); 3. Swalamb Mass Financial Services Limited (Director)
Names of companies along with listed entities in which person has resigned in the past three years.	Not Applicable

*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee across all Listed Companies including this company.

Particulars	Re-appointment
Name of the Director	Mr. Umesh Shah
DIN	07685672
Date of birth	June 8, 1956
Age	66 Years
Qualification	He is Bachelor of Commerce and Chartered Accountant
Experience (including expertise in specific functional area) / Brief Resume	Over 3 decades of experience in finance, accounting, auditing and taxation
Nature of his expertise in specific functional areas	He has more than three decades of experience in the diversified fields connected with Finance, Accounting, Auditing and Taxation. He is Bachelor of Commerce and Chartered Accountant holding membership of the Institute of the Chartered Accountants of India (ICAI).
Terms and Conditions of Re-appointment	As per the terms and conditions of re-appointment of independent Director posted on Company's website

Particulars	Re-appointment
Remuneration last drawn	N.A.
Remuneration proposed to be paid	N.A.
Date of first appointment on the Board	December 21, 2016
Shareholding in the company	250 shares as on March 31, 2022
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	N.A.
Number of Meetings of the Board attended during the year 2021-22	5
Names of listed entities in which the person also holds the Directorships	1 (i.e. MAS Financial Services Limited)
Names of listed entities in which the person also holds Membership of Committees of Board.*	1. Member of Audit Committee (MAS Financial Services Limited); 2. Member of Nomination & Remuneration Committee (MAS Financial Services Limited).
Chairman / Director of other Company	Not Applicable
Names of companies along with listed entities in which person has resigned in the past three years.	Not Applicable
Justification for appointment of Independent Director	Justification stated in the explanatory statement.

*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee across all Listed Companies including this company.

Regd. Office:
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

By order of the Board

Riddhi Bhayani
Company Secretary
& Compliance Officer
(Mem. No. A41206)

Place : Ahmedabad
Date : July 06, 2022

Contact Details:

Company	MAS Financial Services Limited 6, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009. CIN: L65910GJ1995PLC026064
Company Secretary & Compliance Officer	Ms. Riddhi Bhaveshbhai Bhayani Email Id: riddhi_bhayani@mas.co.in
Registrar and Transfer	Link Intime India Private Limited C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083
e-Voting Agency	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone : 022- 22723333 / 8588
Scrutinizer	Mr. Ravi Kapoor, Proprietor of Ravi Kapoor & Associates Practicing Company Secretaries E-Mail id: ravi@ravics.com

Directors' Report

To,
The Members,
MAS **FINANCIAL SERVICES LIMITED**
Ahmedabad

Your Directors are pleased to present the Twenty Seventh (27th) Annual report of your Company along with the Audited Standalone and Consolidated Accounts drawn for the financial year ended on March 31, 2022.

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

FINANCIAL RESULTS:

(Amount in ₹ Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Revenue from Operations	65,594.47	59,324.71	69,017.37	62,739.48
Other Income	150.58	64.19	93.40	31.75
Total Income	**65,745.05**	**59,388.90**	**69,110.77**	**62,771.23**
Less: Total Expenditure	**44,578.25**	**40,099.61**	**47,462.46**	**43,174.32**
Profit Before Tax	**21,166.80**	**19,289.29**	**21,648.31**	**19,596.91**
Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	5,384.16	4,938.99	5,533.43	5,044.48
Net Profit	**15,782.64**	**14,350.30**	**16,114.88**	**14,552.43**
Profit Brought Forward	39,634.96	28,104.57	39,934.36	28,381.53
Net Profit after profit attributable to minority shareholders	-	-	(184.12)	(116.42)
Item of other comprehensive income recognised directly in retained earnings - on defined benefit plan	(8.30)	50.15	(7.19)	54.03
Profit Available for Appropriation	**55,409.30**	**42,505.02**	**55,857.93**	**42,871.57**
LESS: APPROPRIATIONS				
Transfer to reserve u/s 45-IC of RBI Act, 1934	(3,156.53)	(2,870.06)	(3156.53)	(2870.06)
Transfer to reserve u/s 29-C of NHB Act, 1987	-	-	(87.29)	(66.83)
Final Dividend on equity shares	(819.93)	-	(819.93)	-
Interim Dividend on Equity Shares	(683.28)	-	(683.28)	-
Dividend distribution tax on Equity Shares	-	-	-	(0.32)
Surplus Balance carried to Balance Sheet	**50,749.56**	**39,634.96**	**51,110.90**	**39,934.36**

COVID-19

Calendar Year 2021 was a year of demand recovery, supply constraints and rising inflation. The Covid-19 Pandemic has created disruption across the world, in the first quarter of financial year 2021-2022. The start of the vaccination drive in the country did initially lead to a momentary recovery, however, the resurgence of the virus across the globe brought in renewed market uncertainty and unpredictability. The second half of the year was marked by a strong recovery. The market recovered in India with improving macroeconomic backdrop, decreasing Covid case load and global recovery.

The Company has continued to operate and provide services to its customers, which had been declared as an essential service, without any significant disruptions during COVID-19 crisis. However, disruptions to businesses worldwide and economic slowdown may have its eventual impact on the Company. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. At MAS, The well-being of our employees and

their family members is one of our foremost priorities. We restructured our standard operating procedures and set strict protocols for the safeguard the health of our employees and their families. We also took special care to ensure that there is minimum disruption of services to all our customers and business associates. So far, the pandemic has not caused any significant business disruptions this year.

BUSINESS PERFORMANCE:

Company's revenue from operations for the financial year was ₹ 65,594.47 lakhs, higher by 10.57% over the previous year's revenue from operations of ₹ 59,324.71 lakhs. Net Profit (PAT) is ₹ 15,782.64 Lakhs which is higher by 9.98% over the previous year's PAT of ₹ 14,350.30 Lakhs. The Earnings per share is ₹ 28.87 (Previous years ₹ 26.25).

PROSPECTS AND DEVELOPMENTS:

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and NBFCs in special. The Company continues to pursue the strategy of being multi product and multi locational, thus giving the distinct edge from the risk management and scalability perspective. The focus across the product is of catering to the lower and the middle income segment, which is the key driver of our economy.

SMALL AND MEDIUM ENTERPRISE LOAN:

The focus of the company remains on serving the MSME segment. With more than 600 MSMEs, majority of them excluded from the main financial stream presents an enormous opportunity of growth. However the informality is the major concern while serving this segment. Your Company has a distinct edge in serving this segment both from the niche expertise point of view and a very robust distribution network with more than 5000 centers reach along with the extended penetration available through its more than 150 NBFC partners. This product will continue to contribute significantly towards the overall assets growth of the company.

TWO WHEELER AND COMMERCIAL VEHICLE FINANCING:

This sector also during the year witnessed a low growth. We continue to focus on Two wheeler and Commercial Vehicle financing and we adopt such business models which generates required return on assets and the quality portfolio. While the company is keen to increase this portfolio, the endeavor will be to balance between yields, asset quality and growth. We are confident that as we spread to newer geographies within our distribution network, we will be achieving the desired objective. We also expect the sector to regain its growth trajectory with the economoic activities bouncing back to normal.

HOUSING FINANCE:

MRHMFL (MAS Rural Housing & Mortgage Finance Ltd. – subsidiary of MFSL) aims at serving the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. The sector has also stabilized post the covid impact to a large extent and the prospects of growth especially in the area of our focus is affordable housing seems very promising. There is huge market to be served creating room for all fundamentally sound lenders to grow decently. The company has an objective of penetrating in rural markets also starting from Gujarat and will slowly expand to other geographies with a dictum of "extending credit where it is due" thus creating value for all its stake holders. The semi urban and urban affordable space is also the focus area of working thus covering the entire spectrum of the prospective market.

The Company has 69 branches Pan India as on March 31, 2022. It is worth mentioning that despite of credit worthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all the stakeholders to smoothen the process and is assertive in getting the right set of documents.

We continue to endeavour relentlessly and are confident of creating a quality portfolio and add value to the ecosystem we work in.

DISTRIBUTION NETWORK:

MFSL's current Branch Network stands at 125 branches presently with expansion on the cards in the near future.

PARTNERING WITH REGIONAL NBFCs AND NBFC-MFIs:

The quality of intermediation is tested during the trying times. We all agree, that in covid we witnessed one of the most trying times of the century. I am proud and delighted to share that all the partner NBFCs, we work with demonstrated very high quality of intermediation by not only continuing to serve the customers at various geographies but also ensured very smooth repayments to all their lenders.

Over a decade of our working with this sector, our belief is further strengthened, that financial inclusion in a country like India is a function of efficient last mile delivery of credit, for which a very robust value chain has to be nurtured and developed. NBFCs in special play a pivotal role in this value chain. This business model withstood its credibility and our expectations even during the most trying period during the last year.

Partnering with regional NBFCs and NBFC-MFIs for distribution of various products and providing them the line of credit also remains one of the major business plans. We firmly believe that the players having proximity to the region are the most potential organization in the last mile delivery of credit. We not only fund them but also share with them the domain expertise, which the company possesses through its vintage of more than two decades. We continue to get encouraging response from our entire partner NBFCs and

are keen to leverage the relationships for mutual benefits. Currently we have very strong relationships with more than 100 such organizations.

RESOURCES:

HUMAN RESOURCE MANAGEMENT AT MAS:

Human Resource Management plays a pivotal role in realizing the Company's objective. Company believes that employees are the driving force for business growth, branding, and customer satisfaction. The Company has established a robust Human Resources ('HR') system that nurtures a high performing, conducive and inclusive work culture. It is managed by the active involvement of the promoters along with strategic inputs from a well-diversified and competent board. It emphasizes on the freedom to express views, competitive pay structure, performance-based reward system and growth opportunities and internal job opportunities, critical assignments within the organisation for career options for the employees.

We took fresh guards while celebrating our 25th anniversary as a corporate entity. The consistent growth of the company from a modest ₹ 2 cr balance sheet to current ₹ 6500 cr of assets under management is possible only due to the most precious resource of our company namely TEAM MAS. With more than 400 of them with the company for more than 5 years and 40 of them since inception including the core team is responsible for this stupendous compounding growth exhibited during this long tenure of two and a half decades. While we are confident on what we have demonstrated so far, we are not complacent. We are constantly at work to evolve various means to increase the efficiency of the organization, while creating an atmosphere of trust and security among the team. This is a task to be worked upon and we are determined to have a very dedicated and an efficient team in order to march ahead towards realizing our mission of Excellence through Endeavors.

In an environment that is rapidly becoming technology and digital oriented, your Company continues to invest in long term people development, for organizational excellence. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. Training is an integral part of the skill development program initiated for the employees.

The articulation and implementation of the strategies is carried on by the core team along with Team MAS. Core team at MAS is a group of dedicated and competent team of personnel, associated with the company almost since its inception and have always extended unstinting support besides, having identified and aligned their career objective with the company.

The Company has a diverse workforce of 946 employees as on March 31, 2022. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal.

Attracting, enabling, promoting and retaining talent have been the keystone of Human Resource functions at MAS. We trust with all the above qualities accompanied by the determination to excel, this team forms a formidable second line of management at MAS.

Your Company will always strive to strengthen this most important resource in its quest to have enabling human capital.

CAPITAL AND LIABILITY MANAGEMENT:

Capital and liability management is the core function which accords the robustness to the working of the company. Right form the beginning the company has pursued the path of being strongly capitalized and thus have commanded respect from all its lenders and investors.

The respect accorded to the Company by the investors and lenders across all the categories was a humbling experience. The Company in tandem with its philosophy of pursuing the mission of "Excellence through Endeavours" will strive to maximize the shareholders' value.

The Company continues to pursue an efficient capital management policy, which aims at maximizing the return on capital employed and at the same time adhering to the prudential guidelines laid down by RBI from time to time.

The Company by virtue of its performance over the years enjoys very good relationships with many leading banks and financial institutions. The Company could raise the required resources from various banks and financial institutions comfortably. We anticipate the same response from all our lending partners for the coming years too. The Company anticipates credit lines from few more banks and financial institutions besides the existing ones.

During the year passed by when the whole sector was looked upon as a risky preposition the Company could not only manage to raise the required resources but also obtained credit lines for the coming year

Your Company continues to command the respect and the confidence of Bankers as their extended channel in their task of providing efficient delivery of credit. The Company acknowledges the constructive support of the Investors and consortium member banks.

CAPITAL ADEQUACY RATIO

As on March 31, 2022, the Company's Capital Adequacy Ratio (CAR), stood at 26.35% of the aggregate risk weighted assets on balance sheet and risk adjusted value of the off balance sheet items, which is well above the regulatory minimum of 15%, providing much needed headroom for fund raising for business operations of the Company.

ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013

In pursuance to the provisions of Section 92(3) of the Companies Act, 2013 read with Rules made thereunder and amended time to time, the Annual Return of the Company for the Financial Year ended on March 31, 2022 is available on the website of the company i.e. www.mas.co.in.

BOARD MEETINGS HELD DURING THE YEAR:

The Company had Five Board Meetings during the financial year under review.

Sr. No.	Date on which Board Meetings were held	Total Strength of the Board	No. of Directors Present
1	19.05.2021	6	6
2	22.07.2021	6	6
3	11.08.2021	6	6
4	27.10.2021	6	6
5	02.02.2022	6	6

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability would like to state that:

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

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they had prepared annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;

f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were in place were adequate and operating effectively.

COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report. **"Annexure – A"**. The weblink for the same is www.mas.co.in.

AUDITORS:

Statutory Auditors:

At the 26th Annual General Meeting held on August 25, 2021, the members had appointed M/s. Mukesh M. Shah & Co., Chartered Accountants (Firm Registration No. 106625W), Ahmedabad as Statutory Auditors for a term of three years beginning from the conclusion of the 26th AGM till the conclusion of the 29th Annual General Meeting of the Company.

Technical Advisors - M/s. Deloitte Haskins & Sells:

Based on the recommendation of the Audit Committee, the Board of Directors in their Meeting held on Thursday, July 22, 2021 had appointed M/s. Deloitte Haskins & Sells as the Technical Advisors to the Company. The lead Engagement partner Mr. Gaurav J. Shah heads Deloitte's Audit & Assurance Practice in Gujarat since 2006. The company will benefit from the services of their very senior partners based at Ahmedabad.

Secretarial Auditors:

In the Board Meeting held on May 19, 2021 M/s. Ravi Kapoor & Associates, Practising Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2021-22.

SECRETARIAL AUDIT REPORT:

In pursuance to the provisions of Section 204 of the Companies Act, 2013 read with Rules framed thereunder and in compliance of Regulation 24A of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") M/s. Ravi Kapoor and Associates, Practising Company Secretaries, had conducted secretarial audit of the company for the financial year 2021-22. There was no qualification or adverse remarks made by the auditor in their report and the said Secretarial report are annexed which is forming part to this report as **"Annexure – B"**.

EXPLANATIONS OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

(i) By the Statutory Auditors in his report;

There is no audit qualification, reservation or adverse remark for the year under review.

(ii) By the Company Secretary in Practice in his Secretarial Audit Report;

There is no qualification, reservation, adverse remark or disclaimer in audit report issued by the Secretarial Auditors of the Company.

FRAUDS REPORTED BY THE AUDITOR

During the year under review, no frauds have been reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee/ Board, under Section 143(12) of the Companies Act, 2013.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Company has received declarations from Mr. Bala Bhaskaran, Mr. Chetan Shah, Mr. Umesh Shah and Mrs. Daksha Shah, Independent Directors of the Company that they meet with the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013 read with Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 16 & 25 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

All Independent Directors of your Company are registered with Indian Institute of Corporate Affairs as per the requirement of Section 149 of the Companies Act, 2013 and rules framed thereunder.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, paid to them for the purpose of attending meetings of the Board / Committee of the Company.

MATTERS AS PRESCRIBED UNDER SUB-SECTIONS (1) AND (3) OF SECTION 178 OF THE COMPANIES ACT, 2013:

The Company constituted its Nomination Committee on December 23, 2010 and the nomenclature of the Nomination committee was changed to "Nomination and Remuneration Committee" on March 20, 2015 pursuant to Section 178 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, by way of resolution passed in accordance with, provisions of the Companies Act, 2013. The Nomination & Remuneration Committee consists of three Independent Directors. The powers and function of the Nomination and Remuneration Committee is stated in the Nomination and Remuneration Committee Charter of MAS Financial Services Limited. The Remuneration policy is available at the Web link https://www.mas.co.in/policy.aspx

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act.

During the year under review the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company refer to Note 9 of the financial statements.

PARTICULARS CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188:

All Contracts / Arrangements / Transactions executed by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. The Audit Committee reviewed all Related Party Transaction on quarterly basis. Particulars of such related party transactions described in Form AOC-2 as required under Section 134 (3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, which is annexed herewith as **"Annexure - C"**.

The related party disclosures as specified under Para A of Schedule V read with Regulation 34(3) of the Listing Regulations is forming part in Notes to Financial Statements.

The board has approved a policy for related party transactions which has been hosted on the website of the Company. The web-link for the same is https://www.mas.co.in/policy.aspx. The related party transactions, wherever necessary are carried out by company as per this policy. There were no materially significant related party transactions entered into by the company during the year, which may have potential conflict with the interest of the company at large. There were no pecuniary relationship or transactions entered into by any Independent Directors with the company during the year under review.

AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES:

During the year under review ₹ 31.56 crore transferred to statutory reserve under Section 45 IC of RBI Act, 1934.

DIVIDEND:

The Company had paid an Interim Dividend of ₹ 1.25/- (Rupees One and twenty five paisa only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (12.5%) aggregating to ₹ 6,83,27,553.75/- (Rupees Six Crore Eighty three Lakh Twenty Seven Thousand Five hundred fifty three and seventy five paisa only) during the financial year 2021-22. The same was declared by Board of Directors in their meeting held on February 02, 2022. The said dividend was paid on February 18, 2022.

Your Directors are pleased to recommend a Final Dividend of ₹ 1.75/- (Rupees One and Seventy Five Paise Only) per Equity Share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (17.5%) aggregating to 9,56,58,575.25/- (Rupees Nine Crore Fifty Six Lakh Fifty Eight Thousand Five Hundred Seventy Five and Twenty Five Paisa Only) for the Financial year 2021-22, subject to the approval of members in the ensuing Annual General Meeting of the Company. The payment of Final Dividend shall be paid to those members whose names appears in the Register of Members of the Company or in the records of depositories as beneficial owners of Equity Shares as on August 17, 2022. The payment of final dividend will be subject to deduction of tax at source as per the applicable rate.

The dividend recommended is in accordance with the criteria as set out in the Dividend Distribution Policy which has been approved by the Board of Directors. Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy is forming part to the report as **"Annexure - D"**. The weblink for the same is https://www.mas.co.in/policy.aspx.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the directors report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- **Conservation of Energy and Technology Absorption:**

  Since the Company is operating in service sector, the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy and Technology Absorption are not applicable.

- **Foreign Exchange earnings and outgo**

  The Company has no Foreign Exchange earnings and outgo.

RISK MANAGEMENT

Financing activity is the business of management of risks, which in turn is the function of the appropriate credit models and the robust systems and operations. Your Company continues to focus on the above two maxims, and is always eager to improve upon the same.

Your Company continues to give prime importance to the function of receivables management, as it considers this the ultimate reflection of the correctness of marketing strategy as well as appraisal techniques. The Net stage 3 of the Company is 1.70% of Asset under Management as on March 31, 2022.

Pursuant to Regulation 21(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the regulations of Risk management committee is applicable to top 1000 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year. The Board of Directors has thus adopted a risk management policy for the Company which provides identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy. The web-link for the same is https://mas.co.in/policy.aspx

The Company has in place a Risk Management Policy and introduced several measures to strengthen the internal controls systems and processes to drive a common integrated view of risks, optimal and mitigation responses. This integration is enabled through a dedicated team and Risk Management, Internal Control and Internal Audit systems and processes.

Corporate Social Responsibility (CSR):

Your Company has always responded in a responsible manner to the growing needs of the communities in which it operates and believes in giving back to society in some measure that is proportionate to its success in business. During the year, your Company has, in consonance with the CSR policy of the Company, undertaken a number of initiatives that contribute to society at large, in the areas of Health, Welfare and Education.

As a responsible corporate, we believe, we must leverage our resources to support the community in tough times. Accordingly the Company had distributed BiPAP machine and helped many other needy sufferer under its "MAS Arogya Abhiyan". During the first quarter in the year, in spite of speedy recovery in the economy due to COVID – 19 pandemic and lockdown the large section of population across the country were affected and could not meet basic requirement i.e. Food. As part of this drive, raw food packets (groceries) containing all basic necessary food items were supplied to villages of Gujarat. Our food distribution drive is a small gesture in this direction – to provide relief to the most vulnerable of our people and to those relentlessly working on ground with limited support.

Education is believed to be the stepping stone to improve the quality of life, especially for the poor and the most vulnerable. In view of the same, the Company has identified various bright students who wish to pursue higher studies but are not financially sound and financed them for achieving their dreams. In order of development of the society, to curb the said causes and to achieve 100% Literacy Rate, the Company takes active interest in the education of these students and we care about providing better and quality education. Hence apart from sponsoring fees we support them by providing school bags, stationeries, uniforms, sweaters, school shoes and other such necessary accomplishment to ensure that the parents and the students do not have to take burden of these additional costs and stay focused while studying. A good school infrastructure makes it possible for the children that live in rural areas to study and in addition tends to improve the attendance and interest of students and teachers in learning. The Management Team at MAS Financial Services Limited is proactively involved and connected with schools located at the outskirts of Ahmedabad and Gandhinagar to analyze infrastructure provided to the students and how organization can support them to make it better. It was been observed that many schools have no fans, lights and table benches in classrooms, also students were having meals provided by Government under the blazing sun which might affect their health due to heat. Hence, infrastructure related projects were

taken on priority bases wherein the Company supported these schools by providing basic infrastructure i.e. fans, lights, benches in classrooms, Computers and more importantly construction of sheds in school premises to protect students from heat related illness. The ideology behind the "MAS Shiksha Protsahan" lies in the very essence of transforming lives through continuous generation of knowledge and empowerment. Therefore, Company has earmarked funds in line with its Policy as well as prescribed CSR Guidelines.

Moreover, in order to provide proper menstrual hygiene in rural areas, the Company has distributed Sanitary napkins to the female in nearby villages.

It is Company's continuous endeavor to increase its CSR impact and spend over the coming years, supplemented by its continued focus towards rural development, promoting health and sanitation. Accordingly, the Company has identified various long term projects of Promoting Education, Sanitisation, Promoting Health and Welfare to ensure overall well-being and higher quality of life for all.

The CSR Report for the Financial Year 2021-2022 is annexed to this report as **"Annexure - E"**. The composition of CSR Committee and the details of the ongoing CSR projects/ programs/activities are included in the CSR report/section. The CSR Policy is uploaded on the Company's website at the web link: https://www.mas.co.in/policy.aspx.

FORMAL EVALUATION OF THE PERFORMACE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of its Committees. The evaluation was carried on the basis of structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, level of engagement and participation, Board culture, execution and performance of specific duties, obligations and governance. The Board has expressed their satisfaction with the evaluation process.

In pursuant to Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of Independent Directors were done by the entire board of directors which includes –

(a) Performance of the directors; and

(b) Fulfillment of the independence criteria as specified in the regulations and their independence from the management.

Criteria adopted for evaluation:

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct. Further, in a separate meeting of Independent Directors, performance of non-independent directors, the Board as whole and the Chairman of the Company was evaluated.

(i) Performance review of all the Non-Independent Directors of the company on the basis of the activities undertaken by them, expectation of board and level of participation;

(ii) Performance review of the Chairman of the Company in terms of level of competence of chairman in steering the company;

(iii) The review and assessment of the flow of information by the Company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;

(iv) The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;

(v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company has one subsidiary Company i.e. MAS Rural Housing and Mortgage Finance Limited. Pursuant to the provision of Section 129(3) of the Companies Act, 2013, the performance and financial position of Subsidiaries, Associates and Joint Venture companies are described in Form AOC-1 which is annexed herewith as **"Annexure - F"**. Further the Company does not have any Joint Venture or Associate Company.

PARTICULARS OF EMPLOYEES:

The information required under section on 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned as per **"Annexure – G"**.

THE CHANGE IN NATURE OF BUSINESS:

The Company continues to carry out the same activities and during the period under review there is no change in the nature of business.

PUBLIC DEPOSITS:

The Company is Non - deposit taking Non-Banking Financial Company registered with Reserve Bank of India and is prohibited from accepting public deposits and therefore the Company has not accepted any deposits from public during the year under review and there was no public deposit outstanding as on March 31, 2022.

CAPITAL STRUCTURE:

During the year under review there was no change in the capital structure of the Company.

DEBENTURES:

During the period under review there was no change in the following Non Convertible Debenture ("NCDs") of the Company.

1. 6500 Rated, Senior, Redeemable, Taxable, Transferable, Listed, Principal Protected Market Linked Non Convertible Debentures ("NCDs") of face value of ₹ 1,00,000/- (Rupees One Lakhs Only) each aggregating to ₹ 65,00,00,000/- (Rupees Sixty Five Crores) bearing ISIN **INE348L07076** at the rate of (a) 8.80% (Eight Decimal Eight Zero Percent) (XIRR), if the Reference Index Performance is greater than 75% (Seventy Five Percent); and/or (b) 8.75% (Eight Decimal Seven Five Percent) (XIRR), if the Reference Index Performance is equal to or lesser than 75% (Seventy Five Percent) but greater than 25% (Twenty Five Percent); and/or 0% (Zero Percent) (XIRR), if the Reference Index Performance is lesser than or equal to 25% (Twenty Five Percent).

During the period under the review, the following Non-Convertible Debenture of the Company was redeemed:

1. 200 Rated, Listed, Unsecured Redeemable Nonconvertible Debentures ("NCDs") of face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each aggregating to ₹ 20,00,00,000/-(Rupees Twenty Crores) bearing ISIN **INE348L08025** at the rate of 13.50% p.a. were redeem on September 18, 2021.

2. 1000 Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-convertible Debentures ("NCDs") of face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each aggregating to ₹ 100,00,00,000/-(Rupees One Hundred Crores) bearing ISIN **INE348L07043** at the rate of 9.00% p.a redeemed on January 24, 2022.

3. 1000 Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-convertible Debentures ("NCDs") of face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each aggregating to ₹ 100,00,00,000/-(Rupees One Hundred Crores) bearing ISIN **INE348L07068** at the rate of 9.00% p.a. redeemed on February 19, 2022.

4. 500 Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-convertible Debentures ("NCDs") of face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each aggregating to ₹ 50,00,00,000/- (Rupees Fifty Crores) bearing ISIN **INE348L07050** at the rate of 9.00% p.a. redeemed on January 30, 2022.

5. 400 Rated, Listed, Unsecured Redeemable Non convertible Debentures ("NCDs") of face value of ₹ 10,00,000/- (Rupees Ten Lakhs Only) each aggregating to ₹ 40,00,00,000/- (Rupees Forty Crore) bearing ISIN **INE348L08033** at the rate of 13% p.a. were redeemed on June 22, 2022.

During the period under the review, the following Non-Convertible Debenture of the Company was issued:

1. 10,000 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("NCDs") of face value of ₹ 1,00,000/- (Rupees One Lakh Only) each aggregating to ₹ 100,00,00,000/- (Rupees One Hundred Crores) bearing ISIN **INE348L07084** at the rate of (a) 8.50% (Eight Decimal Five Zero Percent) (XIRR), if the Reference Index Performance is greater than 75% (Seventy Five Percent); and/or (b) 8.45% (Eight Decimal Four Five Percent) (XIRR), if the Reference Index Performance is equal to or lesser than 75% (Seventy Five Percent) but greater than 25% (Twenty Five Percent); and/or (c) 0% (Zero Percent) (XIRR), if the Reference Index Performance is lesser than or equal to 25% (Twenty Five Percent) were issued on June 23, 2021.

2. 1000 (One Thousand) Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures denominated in Indian Rupees, each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh only) aggregating to ₹ 100,00,00,000 (Indian Rupees One Hundred Crore only) inclusive of a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crore only) comprising of 500 (Five Hundred) Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non - convertible Debentures denominated in Indian Rupees and on a private placement basis bearing ISIN **INE348L07092** at the rate of (a) 8.50% (Eight Decimal Five Zero Percent) (XIRR), if Reference Index Performance is greater than 75% (Seventy Five Percent); and/or (b) 8.45% (Eight Decimal Four Five Percent) (XIRR), if the Reference Index Performance is equal to or lesser than 75% (Seventy Five Percent) but greater than 25% (Twenty Five Percent); and/or 0% (Zero Percent) (XIRR), if the Reference Index Performance is lesser than or equal to 25% (Twenty Five Percent) were issued on September 17, 2021.

3. 50 (Fifty) unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 1,00,00,000 (Indian Rupees One Crore) aggregating to ₹ 50,00,00,000 (Indian Rupees Fifty

Crore) ("Debentures" or "NCDs") on a private placement basis (the "Issue"). bearing ISIN **INE348L08041** at the rate of 10.75% (Ten decimal seven five Percentage) p.a. were issued on October 20, 2021.

4. 1000 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures Denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000/- aggregating to ₹ 100 Crore ("Debentures" or "NCDs") inclusive of a Green shoe option of up to ₹ 50 Crore comprising of 500 Rated, Senior, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures Denominated in Indian Rupees ("INR") (The "Issue"). each aggregating to ₹ 100,00,00,000/- (Rupees One hundred Crores) bearing ISIN **INE348L07100** at the rate of (a) 8.50% (Eight Decimal Five Zero Percent) (XIRR), if Reference Index Performance is greater than 75% (Seventy Five Percent); and/or (b) 8.45% (Eight Decimal Four Five Percent) (XIRR), if the Reference Index Performance is equal to or lesser than 75% (Seventy Five Percent) but greater than 25% (Twenty Five Percent); and/or 0% (Zero Percent) (XIRR), if the Reference Index Performance is lesser than or equal to 25% (Twenty Five Percent) were issued on November 25, 2021.

5. 500 (five hundred) unlisted, subordinated, unsecured, redeemable, non-convertible debentures, having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) bearing ISIN **INE348L08058** at the rate of 10.75% (Ten decimal seven five Percentage) p.a. were issued on December 29, 2021.

Further, the Company in its Board Meeting held on May 04, 2022 approved the borrowing of funds by way of issuance of Secured, Rated, Listed, Redeemable, Non-Convertible, taxable debentures up to an aggregate amount of ₹ 1500 Crores, in one or more tranches through Private placement. Accordingly the following NCDs were issued till the date of this report:

1. 1,000 (one thousand) rated, senior, secured, listed, transferable, redeemable, principal protected market linked non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 100,00,00,000 (Indian Rupees One Hundred Crore) including a green shoe option of up to ₹ 50,00,00,000 (Indian Rupees Fifty Crore) bearing ISIN **INE348L07118** at the rate of (a)8.60% (eight decimal six zero percent) (XIRR), if the Yield is lesser than or equal to 18% (eighteen percent); (b) 8.10% (eight decimal one zero percent) (XIRR), if the Yield is lesser than or equal to 24% (twenty four percent) but greater than 18% (eighteen percent); and/or (c) 0% (zero percent) (XIRR), if the Yield is greater than 24% (twenty four percent) were issued on June 6, 2022.

2. 500(Five Hundred) rated, listed, redeemable, senior, secured, non-convertible debentures denominated in Indian Rupees ("INR"), each having a face value of ₹ 10,00,000 (Indian Rupees Ten Lakh) and an aggregate face value of ₹ 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures") bearing ISIN **INE348L07126** at the rate of 8.93% (Eight Decimal nine three percentage)p.a. were issued on June 22, 2022.

STATUTORY COMPLIANCE:

The Company has complied with Ind AS as prescribed under section 133 of the Companies Act, 2013. The Company has also complied with the directions issued by RBI from time to time.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

MATERIAL ORDER PASSED BY REGULATORS / COURTS / TRIBUNALS:

There was no material order passed by Regulators / Courts / Tribunals during the year under review impacting the going concern status and company's operations in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

Internal Financial Control remains an important component to foster confidence in a company's financial reporting, and ultimately, streamlining the process to adopt best practices. In pursuance to provisions of Section 134(5)e) of the Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 your Company has in place adequate internal controls with reference to financial statements and are operating effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business. The Board has appointed M/s. Arijeet Gandhi & Associates, Chartered Accountants as an Internal Auditor of the Company pursuant to provisions of Section 138 of the Companies Act, 2013 in order to ensure proper internal financial control.

INSURANCE:

The assets of your Company have been adequately insured. Further, company has taken D&O Insurance for Directors & KMP.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) Mrs. Darshana Pandya, (DIN: 07610402) Director and Chief Executive Officer of the Company is liable to retire by rotation at the ensuing AGM and being eligible to offers herself for reappointment.

The Board of Directors in its meeting held on May 04, 2022 on the recommendations of the Nomination and Remuneration Committee (NRC), further recommends to the members of the Company for re-appointment of Mrs. Darshana Pandya, (DIN: 07610402), as Director.

Pursuant to the provisions of Sections 149 and 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Umesh Shah (DIN: 07685672) who is eligible for reappointment to hold office for second term of five consecutive years effective from December 21, 2021 and whose office shall not be liable to retire by rotation, offers himself to be re-appointed as an Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Necessary resolutions for the appointment of the aforesaid directors and their detailed profiles have been included in the notice convening the 27th AGM and details of the proposal for appointment are mentioned in the explanatory statement of the notice.

Your directors commend their appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of section 164 & 165 of the Companies Act, 2013. Mr. Ravi Kapoor Practicing Company Secretary and proprietor of M/s. Ravi Kapoor & Associates has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect has been enclosed with this report.

Ratio of remuneration of each director to the calculation of median employee's remuneration and other prescribed details

Details of managerial remuneration as required under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other prescribed details are given as per **'Annexure - G'** to this report.

REPORTS ON MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE:

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Management Discussion and Analysis Report and Corporate Governance Report are forming part to this Report annexed as **"Annexure – H"** and **"Annexure – I"**.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Company is committed for creating and maintaining a secure work environment where its employees can work in an atmosphere free of harassment, exploitation and intimidation. To foster a positive workplace environment, free from harassment of any nature to empower women and protect them against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

We have also constituted a Special Complaints Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no incidences of sexual harassment reported.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Audit Committee consists of the following members:

1. Mr. Bala Bhaskaran (Independent Director) – Chairman
2. Mrs. Darshana Pandya (Executive Director) – Member
3. Mr. Chetan Shah (Independent Director) – Member
4. Mr. Umesh Shah (Independent Director) – Member

Ms. Riddhi Bhaveshbhai Bhayani, Company Secretary & Compliance Officer acts as the Secretary to the Audit Committee.

The composition and scope of Audit committee inter alia meets with the requirement of Section 177 of the Companies Act, 2013 and in accordance with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No. of Meetings of Audit Committee held during the year: 6

Sr. No.	Date on which Audit Committee Meetings were held	Total Strength of the Committee	No. of Members Present
1.	18.05.2021	4	4
2.	21.07.2021	4	4
3.	22.07.2021	4	4
4.	10.08.2021	4	4
5.	27.10.2021	4	4
6.	02.02.2022	4	4

In Compliance with the provisions of Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has established a vigil mechanism and overseas through the Committee, the genuine concerns about unethical behavior expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The board has approved a policy for vigil mechanism which has been hosted on the website of the Company. The web-link for the same is https://www.mas.co.in/policy.aspx.

DISCLOSURES PURSUANT TO RBI MASTER DIRECTION:

The disclosures pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, is annexed herewith as **"Annexure - J"**.

BUSINESS RESPONSIBILITY REPORT:

A Business Responsibility Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, is enclosed as part of this report, vide **"Annexure - K"**.

CREDIT RATING:

Sr. No.	Name of the Instrument	Current Rating
1	Long Term Bank Facilities	ACUITE AA-/Stable
2	Commercial Papers	ACUITE A1+
3	Long Term Bank Facilities	CARE A+; Stable
4	Commercial Papers issue	CARE A1+
5	Non Convertible Debentures	CARE A+; Stable
6	Market Linked Debentures	CARE PP-MLD A+; Stable
7	Market Linked Debentures	CARE PP-MLD A+; Stable
8	Subordinated Bond	CARE A+; Stable
9	Market Linked Debentures	CARE PP-MLD A+; Stable
10	Subordinated debt pro-gramme	[ICRA]A (Stable)

DISCLOSURE FOR MAINTENANCE OF COST RECORDS:

The provision of Application of Cost Record in Compliance of Companies (Accounts) Rules, 2014 & in respect of section 148(1) of the Companies Act, 2013 is not applicable to the Company.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:

During the year under review, the Company has not made any application before the National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 for recovery of outstanding loans against customer and there is no pending proceeding against the Company under Insolvency and Bankruptcy Code, 2016.

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 DURING THE FINANCIAL YEAR:

It is not applicable to the Company, during the financial year.

ACKNOWLEDGEMENT

The entire MAS Team deserves the appreciation for their sincere efforts and determination to excel. The core team of MAS plays a pivotal role in articulating and implementing the strategic decisions and thus contributing to the development of the company. We take this opportunity to express our heartfelt appreciation for their continuous support, hard work and dedication.

It is worth mentioning that, working with many NBFC-MFIs, NBFCs and HFCs has been a very encouraging experience especially in being catalyst to their sustainability and growth. The Company looks forward to further strengthening the synergies.

The Board of Directors would like to place on record their gratitude for the guidance and co-operation extended by Reserve Bank of India and the other regulatory authorities and to all those people, who have so willingly placed their trust in the Company & the Management and to more than one million customers across all area under our operations, who have given the Company an opportunity to serve them.

We trust this journey will continue to be a pleasant one with their support, aware of the fact that we have "Miles to go.... with the confidence that "Together We Can and We Will."

Best Wishes,

For and on behalf of the Board of Directors of
MAS **FINANCIAL SERVICES LIMITED**

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana Pandya
Director & CEO
(DIN: 07610402)

Place : Ahmedabad
Date : July 6, 2022

Annexure - A

REMUNERATION POLICY

The policy is prepared is in accordance with the provisions of Section 178(3) of the Companies Act, 2013 ('Act') and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration being paid to Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the **"Act"**) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI Listing Regulations"**), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

1. REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Company pays sitting fees of ₹ 15,000/- per Board meeting and ₹ 10,000/- per Committee meeting attended by Non Executive Directors in line with the provisions of Act. Apart from sitting fees, Company is not paying any amount to Non Executive Directors.

2. REMUNERATION OF EXECUTIVE DIRECTOR

The payment of managerial remuneration to Executive Directors, Key Managerial Personnel and Senior Management Team will be reviewed and recommended by Nomination and Remuneration Committee which will be approved by Board of Directors and/or shareholders as per applicable provisions of Companies Act, 2013 and Listing Regulations. Further remuneration of Other Employees shall be decided/ recommended and approved by the management/ Executive Directors based on company's HR Policy.

Further following point's needs to be considered while making payment of remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

- The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the structure is clear and meets appropriate performance benchmarks.
- The Remuneration involve a good balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.
- The remuneration will be in correlation of company's HR Policy.
- No directors or Key Managerial Personnel should be directly involved in determining their own remuneration or their performance evaluation.
- The 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
- That the compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).

3. CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

Pursuant to provisions of section 178(3) of the Act read with Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualification, positive attributes and independence of a Director and senior management and for appointment of independent director the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

Qualification:

He/ she should be qualified and eligible as per the provisions prescribed under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and should possess appropriate skills, experience, expertise and knowledge.

Criteria for appointing a Director:

- He should be knowledgeable and diligent in updating his knowledge and should possess adequate qualification, skills, experience and expertise by which the Company can benefit and should be person of integrity, with high ethical standards.

- Independent Director, in addition to above should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- In addition to above Executive Directors should possess quality like leadership, vision, ability to steer the organization even in adverse condition, innovative thinking and team mentoring.

In case of Re-appointment following additional criteria shall be considered:

- **Executive Directors:** The committee will evaluate the performance during his/her tenure as Director of the Company as well performance of the Company including all such other factors as required under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws as amended from time to time to be considered for re-appointment of director.

- **Non-executive Directors (including Independent Directors):** The committee will evaluate the performance during his/her tenure as Director in the Company, attendance and participation in the meetings and contribution to the activities of the Board and including all such other factors as per Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other applicable laws as amended from time to time to be considered for re-appointment of director.

Criteria for appointing a Senior Management Employee/ Key Managerial Personnel:

- He should possess adequate educational qualification from recognized institution.
- He should have integrity, hardworking, positive thinking and other skills as required for suitable position.
- Detailed background information will be cross checked from reliable sources.
- Criteria under Company's HR Policy will be followed.

Annexure - B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members
MAS **Financial Services Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MAS Financial Services Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have verified the soft copies of records maintained by the Company. Based on our online verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MAS Financial Services Limited ("the Company") for the financial year ended on 31st March, 2022 and verified the provisions of the following acts, regulations and also their applicability as far as the Company is concerned during the period under Audit:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015

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

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Reserve Bank of India Act, 1934

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. During the year no changes took place in the composition of the Board of Directors and the same is in compliance with the provisions of the Act.

ii) 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.

iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Ravi Kapoor & Associates**

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587D000573707

Place: Ahmedabad
Date : July 06, 2022

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

ANNEXURE A

To,
The Members
MAS **Financial Services Limited**

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

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever 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 procedure 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.

For **Ravi Kapoor & Associates**

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587D000573707

Place: Ahmedabad
Date : July 06, 2022

Annexure - C

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 transaction under third proviso thereto.

1. **Details of Contracts or Arrangements or Transactions not at Arm's length basis.** MAS Financial Services Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2021-22. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act ("the Act") and corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

Sl No.	Particulars	Details
A	Name(s) of the related party & nature of relationship	N.A.
B	Nature of contracts/arrangements/transaction	N.A.
C	Duration of the contracts/arrangements/transaction	N.A.
D	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
E	Justification for entering into such contracts or arrangements or transactions.	N.A.
F	Date of approval by the Board	N.A.
G	Amount paid as advances, if any	N.A.
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. **Details of material Contracts or Arrangements or Transactions at Arm's length basis for the year ended on March 31, 2022**

Sl No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
1.	MAS Rural Housing & Mortgage finance Limited	Rendering of Services (Agreement for Amenities)	One year	MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities-Usage of commercial premises of MFSL, furnitures & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly.	MRHMFL is in requirement of the premises, assets and infrastructure which is available with MFSL. So, to fully utilise the premises, MRHMFL has requested MFSL to provide several amenities, services, facilities-Usage of commercial premises for carrying on business smoothly.	19.05.2021	No such amount was paid as advances.	N.A.
2.	MAS Rural Housing & Mortgage finance Limited	Recovery Agreement	Two years	MFSL agrees to collect outstanding instalments and other dues from its customers and agrees to provide the said service under the terms and conditions as set forth in Agreement with MRHMFL.	MRHMFL being a subsidiary company carrying out business of Housing Finance is in requirement of recovery services for collecting there outstanding dues.	03.06.2020	No such amount was paid as advances.	N.A.

Sl No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
3.	MAS Rural Housing & Mortgage finance Limited	Cross Charge Agreement	One year	MFSL agrees to provide several intellectual services to MAS Rural Housing & Mortgage Finance Limited ("MRHMFL") from the Management of the Company to carry out the operations of the MRHMFL and considering time slot allotted to look into the activities of the MRHMFL, the Company to receive as amount as Cross Charge from MRHMFL.	MRHMFL being subsidiary company of MFSL carrying out business of Housing Finance and being managed by the management of the MFSL, in requirement of carrying out its operations requested for entering into cross charge agreement with MFSL.	19.05.2021	No such amount was paid as advances.	N.A.
4.	MAS Rural Housing & Mortgage finance Limited	Servicer Agreement	One year	MFSL has appointed MRHMFL as a servicer to collect and receive payments in respect of the Receivables and the Assigned Assets, and to provide certain other services.	MFSL is in requirement of a Service Provider who can collect and receive payments in respect of the Receivables on behalf of the Company	02.02.2022	No such amount was paid as advances.	N.A.

For and on behalf of the Board of Directors of
MAS **FINANCIAL SERVICES LIMITED**

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana S. Pandya
Director & CEO
(DIN: 07610402)

Place : Ahmedabad
Date : July 06, 2022

Annexure - D

DIVIDEND DISTRIBUTION POLICY

1. BACKGROUND

- The Objective of this policy is to provide the Dividend Distribution framework to the stakeholders of the Company.
- The Board of Directors shall recommend Dividend according to the provisions of the Companies Act, 2013 and Rules made thereunder and in accordance with the compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable legal provisions.
- Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend means the profit of a Company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid up on the shares held by them." Dividend can be paid on equity or preference shares both.
- The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting.
- The Company has had a consistent dividend policy that balances the objective of appropriately rewarding shareholders through dividends and to support the future growth.

2. CLASSES OF SHARES

The Company has issued only one class of shares i.e. Equity Shares. Parameters for Dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable provisions of the Act, rules and regulations and will be determined, as and when the Company decides to issue other classes of shares.

3. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDER'S OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The circumstance that may generally be considered by the Board before making any recommendations for the Dividend includes:

- Cost of raising funds from alternative sources.
- Whenever the Company has incurred losses or there is inadequacy of profits.
- Whenever the Company undertakes any acquisitions or enters into joint ventures requiring significant allocation of capital.
- Future capital expenditure plans
- Profits earned during the financial year
- Cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.
- Any of the below referred internal or external factors, including any regulatory restriction, if any, restraining the Company from considering dividend;

4. FINANCIAL PARAMETERS

Dividend shall be declared or paid only out of profits computed as per the applicable provisions of the act and rules made thereunder and other applicable laws.

5. INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

- Distributable surplus available as per the Act, Rules and Regulations;
- The Company's liquidity position and future cash flow needs;
- Trend of dividends paid in the past years by the Company;
- Payout ratios of comparable companies;
- Industry outlook and stage of business cycle for underlying businesses
- Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- Loan repayment and working capital requirements;
- Financial commitments with respect to the outstanding borrowings and interest thereon.
- Other Corporate Action options (For ex. Bonus issue, Buy back of shares).
- Cost and availability of alternative sources of financing;

- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Any windfall, extra-ordinary or abnormal gains made by the Company;
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend

6. UTILIZATION OF RETAINED EARNINGS

Retained earnings will be used for the Company's growth plans, expected capital adequacy/liquidity requirements, debt repayments and other contingencies.

7. REVIEW

The Board is authorized to review/amend this policy from time to time at its sole discretion and/or subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time.

8. DISCLOSURES

The Dividend Distribution Policy (as amended from time to time) will be available on the website of the Company (www.mas.co.in) and web-link shall also be provided in the Company's Annual Report of the Company as required by the Regulations in force from time to time.

9. REPORTS

The Company shall prepare a report that is to be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank. The format of the Report shall be the format prescribed hereunder.

Details of dividend declared during the financial year

Name of the NBFC _____

Accounting period *	Net profit for the accounting period (₹ crore)	Rate of dividend (per cent)	Amount of dividend (₹ crore)	Dividend Payout ratio (per cent)

* quarter or half year or year ended_____ as the case may be

Annexure - E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

   Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

   MAS Financial Services Limited has always been actively involved in various Corporate Social Responsibility (CSR) activities. We are committed to making a difference by placing priority on giving back to our community and believe that businesses can only be successful when they are engaged in making the world a better place.

   During the year, the Company has undertaken various initiatives in the areas of Education and Community Welfare.

2. **Composition of CSR Committee:**

   The Company's CSR Committee consists of one Executive Director and two Independent Directors of the Company, and is chaired by an Independent Director. The composition of the Committee is set out below:

Sr. No.	Name of the Directors	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	Mr. Umesh Shah	Independent Director	Chairman	2	2
2	Mrs. Darshana Pandya	Director & CEO	Member	2	2
3	Prof. Bala Bhaskaran	Independent Director	Member	2	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:**

   The Composition of CSR committee, Company's CSR policy and CSR projects are available on website of the Company

   Composition of CSR Committee : www.mas.co.in

   Company's CSR Policy : www.mas.co.in

   CSR Projects' : www.mas.co.in

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

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:** Not Applicable

6. **Average Net Profit of the Company as per Section 135(5):** ₹ 2,20,43,32,961/-

7. **(a) Two percent of average net profit of the company as per section 135(5):** ₹ 4,40,86,659.00/-

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

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

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 4,40,86,659.00/-

8. (a) Details of CSR amount spent or unspent for the financial year:

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 (in ₹)	Date of Transfer	Name of Fund	Amount (in ₹)	Date of Transfer
42,00,096	3,98,86,563	April 25, 2022	-	-	-

(b) Details of CSR amount spent against Ongoing Projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹ Crores)	Amount spent in the current financial Year (in ₹ Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Crores)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	Education	Yes	Gujarat	Rural locations of Gujarat	3 Years	Approx 2.44	0.17	2.27	Yes		NA
2.	"AROGYA ABHIYAN" - MEDICAL FACILITY TO NEEDY PEOPLE	Health	Yes	Gujarat	Ahmedabad	1-3 Years	Approx 1.5	0.20	1.30	Yes		NA
3.	MAS "KHEL PROTSAHAN ABHIYAN"	Sports	Yes	Gujarat	Ahmedabad	1-3 Years	Approx 0.48	Nil	0.48	Yes		NA
	TOTAL						**Approx 4.41**	**0.37**	**4.05**			

(c) Details of CSR amount spent against other than Ongoing Projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Grain distribution	Eradicating hunger, poverty for the people affected by COVID-19 pandemic	Yes	Gujarat	Ahmedabad	4,90,600	Yes	Not Applicable	
	TOTAL								

(d) Amount spent in Administrative Overheads : ₹ 30,761/-

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 42,00,096.00/-

(g) Excess amount for set-off, if any : NA

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Crores)	Amount spent in the reporting Financial Year (in ₹ Crores)	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 ₹ Crores)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1.	2021-22	3.99	0.42	-	-	-	3.99
2.	2020-21	3.84	0.33	-	-	-	2.92
3.	2019-20	-	-	-	-	-	-
	TOTAL	**7.83**	**0.75**	**-**	**-**	**-**	**6.91**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project Duration**	**Total amount allocated for the project (in ₹ Crores)**	**Amount spent on the project in the reporting Financial Year (in ₹ Crores)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹ Crores)**	**Status of the project - Completed/ Ongoing.**
1.	FY31.03.2021_1	"SHIKSHA PROTSAHAN" - PROMOTING EDUCATION IN RURAL AREAS	2020-21	3 Years	Approx 2.30	0.47	0.47	Ongoing
2.	FY31.03.2021_2	MAS MENSTRUAL HYGIENE PROGRAMME (PROMOTING SANITATION IN RURAL AREAS)	2020-21	3 Years	Approx 0.05	0.44	0.44	Ongoing
3.	FY31.03.2021_3	AROGYA ABHIYAN - MEDICAL FACILITY TO NEEDY PEOPLE	2020-21	3 Years	Approx 1.50	0.01	0.01	Ongoing

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

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

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

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

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

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):

The Company strives to make the fund utilization to the last mile. In terms of CSR Policy of the Company, most of the unspent funds for CSR, shall be utilized for long term multiyear projects. Education is believed to be the stepping stone to improve the quality of life, especially for the poor and the most vulnerable. Quality education remains one of the most important CSR missions for the Company; In view of the same, the Company has identified various bright students who wish to pursue higher studies but are not financially sound and financed them for achieving their dreams. In addition to existing multi-year projects, the Company has identified long term projects of construction of Sheads and providing basic hygiene at various Schools in remote rural backward areas of Gujarat including paying their fees and also providing them with basic necessity such as Computers. The ideology behind the "MAS Shiksha Protsahan" lies in the very essence of transforming lives through continuous generation of knowledge and empowerment. Therefore, Company has earmarked funds in line with its Policy as well as prescribed CSR Guidelines. During the beginning of the year, due to COVID – 19 pandemic the large section of population across the country were affected and could not meet basic requirement i.e. Food. As part of this drive, raw food packets (groceries) containing all basic necessary food items were supplied to villages of Gujarat. Moreover, the Company has provided BiPAP machine and helped many other needy sufferer under its "MAS Arogya Abhiyan". In addition, the Company has identified various long term projects of Promoting Education, Sanitisation and Promoting Health and Welfare to ensure overall well-being and higher quality of life for all.

The ideology behind the CSR Project of the Company lies in the very essence of well-being of the lives. Therefore, Company has earmarked funds in line with its Policy and the CSR Project as well as prescribed its CSR Expenditure. The Company is trying to help as many people as it can across the state with its various social initiatives since many years. It is the Company's continuous endevaour to increase its CSR impact and spend over the coming years, supplemented by its continued focus towards sustainable development and responsible infrastructure.

We firmly believe that it Education is one of the most important investments which can create positive impact on the society. The CSR projects related to Education and rural development were planned during the financial year, but due to the pandemic situation, the schools were closed hence we have carry forwarded unspent amount and prepared a well-planned project to utilize the fund in henceforth years. The Company hereby has its commitment in place and all efforts will be made to cover the shortfall in the CSR spends in the coming years.

It is Company's continuous endeavor to increase its CSR impact and spend over the coming years, supplemented by its continued focus towards rural development, promoting health and sanitation. Company is trying to explore more and more students to ensure that benefits reaches directly to the needed students and the process is likely to take some more time to enable the Company to spend the entire required amount to be spent for CSR as per the provisions of Companies Act, 2013.

Mr. Umesh Shah
Independent Director
Chairman of CSR Committee
DIN: 07685672

Mrs. Darshana Pandya
Director & CEO
Member of CSR Committee
DIN: 07610402

Date : July 06, 2022
Place : Ahmedabad

Annexure - F

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED
2.	The date since when subsidiary was acquired	10/10/2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Financial Year 2021-2022 (01.04.2021 to 31.03.2022)
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5.	Share capital	Authorised: ₹ 45,00,00,000/- Paid up : ₹ 41,22,64,040/-
6.	Other Equity	₹ 40,19,42,383/-
7.	Total assets	₹ 2,89,98,62,137/-
8.	Total Liabilities	₹ 2,28,56,55,714/-
9.	Investments	Nil
10.	Turnover	₹ 35,82,99,658/-
11.	Profit before taxation	₹ 5,77,68,787/-
12.	Provision for taxation	₹ 1,21,20,057/-
13.	Profit after taxation	₹ 4,56,48,730/-
14.	Proposed Dividend	₹ 1,16,54,484/-
15.	% of shareholding	59.67%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – NIL
2. Names of subsidiaries which have been liquidated or sold during the year – NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1.	Name of associates/Joint Ventures	N.A.
2.	Latest audited Balance Sheet Date	N.A.
3.	Shares of Associate/Joint Ventures held by the company on the year end Number Amount of Investment in Associates/Joint Venture Extend of Holding%	N.A.
4.	Description of how there is significant influence	N.A.
5.	Reason why the associate/joint venture is not consolidated	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
7.	Profit/Loss for the year	
	(i) Considered in Consolidation	N.A.
	(i) Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Darshana S. Pandya
Director & CEO
(DIN: 07610402)

Riddhi B. Bhayani
Company Secretary & Compliance Officer
Membership No.: A41206

Date : July 06, 2022
Place : Ahmedabad

Annexure - G

Particulars of Employees (pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended)

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under:

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. **The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2021-22:**

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	125.32:1
2.	Mrs. Darshana Pandya	Director and Chief Executive Officer	Remuneration	14.89:1
3.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	0.76:1
4.	Mr. Chetan Shah	Independent Director	Sitting Fees	0.86:1
5.	Mr. Umesh Shah	Independent Director	Sitting Fees	0.76:1
6.	Mrs. Daksha Shah	Woman Independent Director	Sitting Fees	0.25:1

2. **The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:**

Sr. No.	Name	Designation	Nature of Payment	Percentage Increase / decrease over previous year
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	100.00%*
2.	Mrs. Darshana Pandya	Director and Chief Executive Officer	Remuneration	81.45%*
3.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	Nil #
4.	Mr. Chetan Shah	Independent Director	Sitting Fees	Nil #
5.	Mr. Umesh Shah	Independent Director	Sitting Fees	Nil #
6.	Mrs. Daksha Shah	Woman Independent Director	Sitting Fees	Nil #
7.	Ms. Riddhi Bhayani	Company Secretary and Compliance Officer	Remuneration	13.74%
8.	Mr. Ankit Jain	Chief Financial Officer	Remuneration	8.19%

- #Independent Directors are paid fixed sitting fees for every meeting attended, amount of the same is not changed during the year.
- *Remuneration of Mr. Kamlesh Gandhi was Nil in the previous financial year hence this year's remuneration is showcasing higher due to the aforesaid reason.
- *In the previous Financial Year Mrs. Darshana Pandya waived some percentage of her remuneration, hence the same is showcasing higher in the financial Year 2021-22.

3. **The percentage increase in the median remuneration of employees in the financial year:** The median remuneration of employees was increased by 11.86% over previous year.

4. **The number of permanent employees on the roll of the Company:** 946 Employees

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** The Average salaries of the employees of the Company increased by 15.26% while the Managerial remuneration increased by 1608.94% in the current year. Annual increments, if any, are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) The Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

List of top ten employees in terms of remuneration drawn as on March 31, 2022:

Sr. No.	Name of Employee	Designation	Remuneration (₹ in lakh)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment	Number of equity shares of the Company held by employee	Relative of any Directors
1	Mr. Saumil Dipakbhai Pandya	President & Head Retail Assets	51.85	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/08/1996	50	--	14,251 shares (0.0261%)	Husband of Mrs. Darshana Pandya
2	Mr. Ankit T. Jain	Chief Financial Officer	31.05	On roll	M.B.A. Finance Has more than 1 decade of experience	01/04/2010	35	--	25 shares (Negligible Holding)	--
3	Mr. Dipak M. Dangar	COO - Retail Asset Channel	31.03	On roll	B.E. Chemical & MBA Finance Has more than 1 decade of experience	26/05/2008	39	--	4 shares (Negligible Holding)	--
4	Mr. Sunil Shah	Head Portfolio	28.61	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/07/1998	51	--	488 shares (0.0009%)	--
5	Mr. Gaurang Arvindbhai Kasudia	Head - MIS	28.49	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/08/1996	46	--	338 shares (0.0006%)	--
6	Mr. Nishant Jain	Chief Risk Officer	28.25	On roll	Chartered Accountant Has more than 9 years of experience	03/05/2018	34	Jain Sons Finlease Limited	-	--
7	Mr. Bhavesh D. Patel	Head - Accounts	27.75	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/04/2004	41	Nishu Accounts Consultancy	338 shares (0.0006%)	--
8	Mr. Dhvanil K. Gandhi	Business Development Manager	22.99	On roll	Bachelors in Business Administration Has more than 5 Year of experience	20/07/2011	29	--	34619 shares (0.0633%)	Son of Mr. Kamlesh Gandhi
9	Mr. Ravi Mukeshbhai Shah	Credit Incharge	22.34	On roll	Bachelor of Commerce Has more than 2 decades of experience	01/12/1999	44	--	188 shares (0.0003%)	--
10	Mr. Rajen Shashikant Shah	Project In-Charge	20.76	On roll	MCA, B.Sc. Has more than 2 decades of experience	01/09/2003	48	Akar Laminators Limited	120 shares (0.0002%)	--

Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

FOR, MAS **FINANCIAL SERVICES LIMITED**

Kamlesh C. Gandhi
Chairman & Managing Director
(DIN: 00044852)

Date: July 06, 2022
Place: Ahmedabad

Annexure - H

MANAGEMENT DISCUSSION & ANALYSIS - ANNUAL REPORT 2021-22

ECONOMIC OVERVIEW

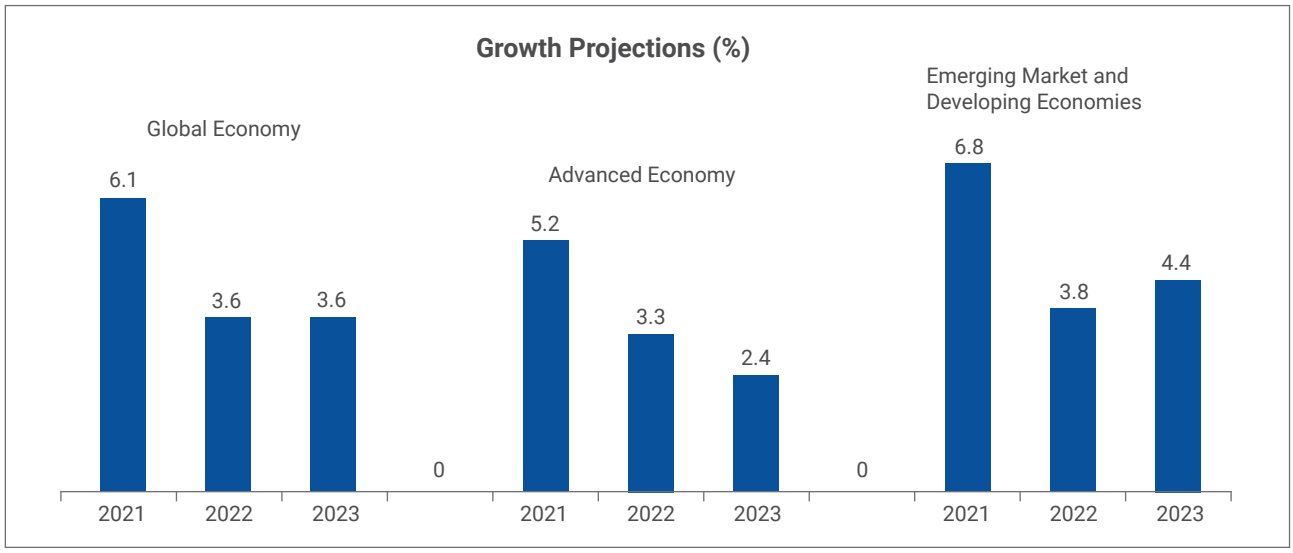
Global Economy

After a sharp dip in economic activity, post the first wave of the COVID-19 pandemic, the global economic witnessed recovery. However, since the beginning of calendar year 2022, a number of challenges have emerged and economic growth appears to be weaker than previously expected.

The combination of factors that have diluted growth impulses include the spread of the Omicron COVID-19 variant and consequent restrictions on mobility, rising energy prices and disruption of supply, which resulted in higher and more broad-based inflation, across the globe. In addition, the retrenchment of China's real estate sector and slower-than-expected recovery of private consumption have limited growth prospects too.

Most recently, the war in Ukraine and geo-political tensions that it has unleashed have become another constraint for the global economy, beyond its socio-political and humanitarian implications.

Keeping all these factors in mind, the April 2022 issue of the World Economic Outlook by the IMF projected global growth at an estimated 6.1% in Calendar Year (CY) 2021 and 3.6% in CY2022 and CY2023. Beyond that, it forecast growth to remain at around 3.3% over the medium term.



Source: IMF World Economic Outlook - April 2022

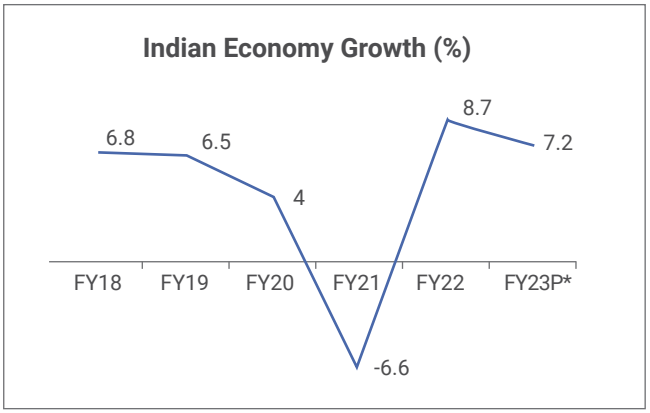
With respect to price pressures, it expects war-induced commodity price increases to touch 5.7% in advanced economies and 8.7% in emerging market and developing economies in CY2022. The IMF advised that multilateral efforts were the need of the hour to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and end the pandemic.

Indian Economy

The Indian economy has demonstrated a V-shaped recovery, with GDP in value terms marginally crossing pre-pandemic levels.

According to a Mospi press release (31st May, 2022), the growth in GDP during FY 2021-22 was 8.7% as compared to a contraction of 6.6% in FY 2020-21. The per capita GDP (at current prices) rose to ₹ 1,72,913 for FY 2021-22.

According to Budget 2022, there has been a rebound in several high frequency indicators and merchandise exports are showing buoyancy. This signs of recovery are expected to be supported by a higher Rabi output, which typically keeps rural demand buoyant and contributes to containing food prices. Additionally, private investment activity is also looking up as the Government schemes, such as PLI, have begun to deliver results.



Source: # Mospi Press Release (31st May, 2022) and
*RBI Monetary Policy (8th June, 2022)

Nevertheless, the external situation which is characterised by geo-political tensions and rising commodity prices, which are severely setting back global recovery, are expected to impact the Indian economy's recovery too. The IMF cut its growth forecast for India to 8.2% for FY 2022-23 on the premise that the Russian invasion of Ukraine would escalate price rises and impact both consumption and growth. It expects consumer demand and private investments in India to be impacted by oil prices, which will expand the current account deficit to 3.1%.

The RBI's growth estimate for FY 2022-23 at 7.2% is even more conservative and based on crude oil prices at USD 100 per barrel. The central bank noted that as the horizon was brightening up, escalating geopolitical tensions have cast a shadow on the domestic economic outlook. Although India's direct trade exposure to countries at the epicentre of the conflict is limited, the war could potentially impede the economic recovery through elevated commodity prices and global spill-over channels. Further, financial market volatility induced by monetary policy normalisation in advanced economies, renewed COVID-19 infections in some major countries with augmented supply-side disruptions and protracted shortages of critical inputs, such as semi-conductors and chips, pose downside risks to the outlook

Despite international headwinds, India is still expected to retain its tag as the fastest growing major global economy as China's growth forecast has been drastically slashed.

INDUSTRY OVERVIEW

Financial Services Industry

India has a robust and long-standing financial services industry. It is well regulated and in recent times, it has been expanding rapidly into the segments that have been underserved or overlooked in the past in an effort to promote financial inclusion.

The financial sector is well diversified and comprises of a range of traditional entities, such as commercial banks, insurance companies, non-banking financial corporations (NBFCs), cooperatives, pension funds, mutual funds and other smaller financial institutions. At the same time, the RBI, which regulates the sector, has allowed new entities, such as payment banks, small finance banks etc. to operate in the sector.

Digital technology has become a prominent engine of the industry. While older organisations have been adopting technology to gain efficiency and facilitate stronger customer connect, there is a new breed of fintech companies, which lie at the confluence of finance and technology, that have emerged. All this has infused speed, innovation and transparency to the financial services sector.

During the COVID-19 pandemic, the financial sector undertook various initiatives to mitigate pandemic-induced stress. Financial sector regulators and the government rolled out a number of measures, including extending existing relaxations to provide relief. Additionally, several significant regulatory initiatives were taken towards fortifying the resilience of the financial system and entities therein, ease access to financial products, strengthen the grievance redressal mechanism and protect the interests of depositors and investors.

As the economy recovers from the pandemic, the financial system has been supporting the revival of growth. The RBI has decided to remain focussed on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

NBFCs in India

Non-Banking Finance Companies (NBFCs) have played an important role in the Indian financial system by complementing and competing with banks, and by bringing in efficiency and diversity into financial intermediation. These entities have evolved considerably in terms of operations, heterogeneity, asset quality and profitability, and regulatory architecture.

This segment of the financial sector has witnessed rapid growth in actual terms as well as relative to banks over the past decade. Some of the leading growth drivers for NBFCs have been their customised product offerings and ability to leverage technology to improve efficiency and enhance customer experiences. They have been successful in tying up with multiple alternative lenders with digital platforms and commercial banks as well, which has been adding to their targeted customer base. NBFCs have also progressed due to enhanced governance through a proactive, robust and agile risk management model and the introduction of a scale-based regulatory framework by the RBI. Regulations for most large NBFCs are similar to those for banks, with some modifications factoring in heterogeneity and the target segment. NBFCs also offer higher amounts of loan against security as compared to banks and have a lower turnaround time as they are able to meet immediate funding requirements with faster loan processing systems.

Most importantly, in this era, where the government is focussing on financial inclusion, have been able to drive this mission by providing last-mile access to financial services and meet the diversified financial needs of individual as well as micro, small and medium enterprises (MSME) customers who have been overlooked or understood by the banking sector.

According to a report by Avendus, themed Retail Lending in a post COVID World: Winners and Laggards (May 2022) between FY 2020-21 and FY 2023-24, retail credit is expected to make a strong comeback and grow at 13-15%.

The report noted that over the past two years, liquidity for the sector has remained adequate and entities have typically maintained coverage of their next three-month repayments. It suggested that the disbursement growth will have to remain healthier for a sustained AUM growth.

MSME Sector

There are approximately 6.34 crore MSME units in India according to Confederation of Indian Industry (CII). These units are spread across the length and breadth of the country and contribute substantially to the progress of the economy while also driving socio-economic development too.

CII estimates that this sector employs around 12 crore people. MSMEs contribute around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities as well as 33.4% of India's manufacturing output. It also accounts for around 45% of the overall exports from India.

During the lockdowns that were mandated to prevent the spread of the COVID-19 virus, units in this sector were the most adversely affected segment of business enterprises. They simultaneously faced a disruption in their production and services alongside logistical and manpower issues.

The government announced various policies to protect this segment of industry from the crisis. The Aatmanirbhar Bharat mission contained initiatives that offered some relief to MSMEs. It intermittently offered subordinate debt for stressed MSMEs and equity infusion through an MSME Fund of Funds (SRI Fund). There was an Emergency Credit Line Guarantee Scheme (ECLGS) for businesses under the mission, which got augmented during the Union Budget 2022-23. The government also mandated that there could be no global tenders for government procurement up to a certain limit, to encourage domestic sourcing by the public sector. Last, but not the least, it made structural changes in the sector by redefining the qualifying criteria for different parts of the MSME space.

Housing Finance

India is the second-most populated in the world and more than 31% of its total population, i.e. about 377 million people, live in urban areas. As per the National Commission on Population, by the year 2030 approximately 40% of the total population of India would be residing in urban areas.

A survey by Knight Frank India pointed out that there is a substantial housing shortage in urban India and a wide gap exists between the demand and supply of affordable housing, both in terms of quantity and quality.

The demand for housing is expected to stay strong over the long-term due to various factors, beyond the increasing trend of urbanisation. These include a young demographic, rising disposable incomes, and various policies by the government to promote housing, including tax incentives. Further, over the years, the affordability of homes has improved as annual incomes have increased but at the same time, property costs have remained relatively stable for many years.

Automobiles

According to the industry body, Society of Indian Automobile Manufacturers (SIAM), the automobile sector produced a total of 2.29 crore vehicles in FY 2021-22 as against 2.26 crore in FY 2020-21. This translated into a marginal growth of 1.32% during FY 2021-22 from a degrowth of 14% between FY 2020-21 and FY 2019-20.

While the production figures pertain to Passenger Vehicles, Commercial Vehicles, Three-Wheelers, Two-Wheelers and Quadricycles, two segments dominate the domestic auto market in India - Two-wheelers and passenger vehicles.

Within the passenger car segment, sales are typically dominated by small and mid-sized cars. In FY 2021-22, Two-wheelers and passenger cars accounted for 77% and 18%, respectively, of the automobile market. These segments witnessed increased demand on the back of advancements in infrastructure, the young demographic with rising incomes and access to finance for the purchase of automobiles.

Domestic sales declined by close to 6% during FY 2021-22 on account of supply side bottlenecks within the industry as well as the chip shortage, which affected many carmakers.

Automobile Domestic Sales Trends

(In number)

Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles	3,047,582	3,288,581	3,377,389	2,773,519	2,711,457	3,069,499
Commercial Vehicles	714,082	856,916	1,007,311	717,593	568,559	716,566
Three-Wheelers	511,879	635,698	701,005	637,065	219,446	260,995
Two-Wheelers	17,589,738	20,200,117	21,179,847	17,416,432	15,120,783	13,466,412
Quadricycle	0	0	627	942	-12	124
Grand Total	**21,863,281**	**24,981,312**	**26,266,179**	**21,545,551**	**18,620,233**	**17,513,596**

To help the industry overcome these difficult times, the Government announced various policies with targeted schemes, like PLI and the extension of the FAME scheme, amongst other measures, to support the industry. Auto manufacturers also rose to the occasion by keeping the value chains functional through indigenisation of parts, cost controls, investment in new technologies and a shift in focus to exports.

In contrast, exports increased by a robust 36%, reflecting a pick-up in global demand.

Automobile Exports Trends

(In number)

Category	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Passenger Vehicles	758,727	748,366	676,192	662,118	404,397	577,875
Commercial Vehicles	108,271	96,865	99,933	60,379	50,334	92,297
Three-Wheelers	271,894	381,002	567,683	501,651	393,001	499,730
Two-Wheelers	2,340,277	2,815,003	3,280,841	3,519,405	3,282,786	4,443,018
Quadricycle	1,556	1,605	4,400	5,185	3,529	4,326
Grand Total	**3,480,725**	**4,042,841**	**4,629,049**	**4,748,738**	**4,134,047**	**5,617,246**

COMPANY OVERVIEW

Incorporated in 1995, MAS Financial Services Limited (hereinafter referred as 'MAS'/'the Company') is a diversified Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India (RBI). Based out of Ahmedabad, the Company provides specialised retail financing services to lower income and middle-income groups of the society.

Over the past two decades, it has been primarily catering to the needs of the financially underserved masses spread across urban, semi-urban, and rural areas in the formal and informal sectors of the economy.

To meet the varied needs of its customers, MAS offers a wide range of retail finance products such as micro-enterprise loans, SME loans, home loans, two-wheeler loans and commercial vehicle loans.

The Company's operations are built on the basis of its highly experienced management team, huge borrower base, diverse product mix, efficient liability management and well-spread branch network.

Distribution Network

To offer top quality services to its customers at their doorstep, the Company has established a strong distribution network. It operates out of 125 branches, spread across the states of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka & Delhi NCT.

This established network enables the Company to serve the underserved and capture a significant share of the untapped demand in the hinterlands with last-mile delivery of credit. On the strength of its in-depth knowledge of the market, the Company has established strong and time-tested connects with MFIs, HFCs and other NBFCs focussed on similar products.

MAS has forged robust value chains to extend its financial services to the underpenetrated regions and Bottom of the Pyramid (BOP) segment. The Company's mission is to penetrate the informal financial sector and spread inclusivity using its distribution network of these channel partners.

As on 31st March, 2022, MAS catered to 6,75,000+ active loan accounts in more than 4,438 customer locations through its robust network of 125 branches.

Partnerships with Various NBFCs

MAS has been developing a strategic partnership model which entails collaborating with various NBFCs to ensure success for all stakeholders which involves - the Company, its partners and customers.

While the Company offers its domain expertise and lines of credit, partners undertake last-mile credit delivery more effectively. This enables building of stronger networks and fostering of customer trust. Further, the Company can improve its customer base without excessive investments in physical infrastructure by leveraging the operational efficiency and customer relationships of its partners, especially in relatively remote areas of India. The target clients can approach the formal financial sector to meet their financing needs.

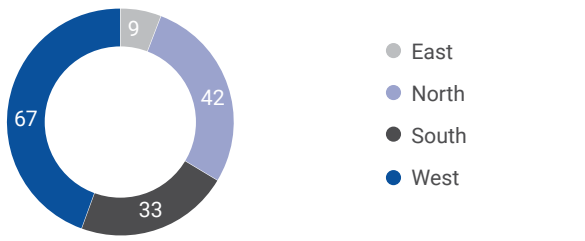
MAS has also entered into commercial arrangements with various sourcing partners where part of a loan default is guaranteed by such sourcing partners. These revenue-sharing arrangements act as a relatively stable revenue source for such sourcing partners and are therefore attractive to them.

As of 31st March, 2022, MAS had 372 sourcing intermediates for its Commercial Vehicle Loans and 312 for its Two-Wheeler Loans.

The Company has been able to scale business rapidly, due to the unique and robust distribution network created through partnership with NBFCs and NBFC-MFIs. It has also strengthened its pan-India presence and mitigated the risk of overdependence. At the same time, this model keeps both operating expenditure and credit quality under control as the NBFC partner bears both the cost of sourcing the end-customer and the risk of default.

As of 31st March, 2022, the Company had 151 strategic partner NBFCs. Out of the 81 partners in FY 2021-22, around 53.64% fall within the AUM range of ₹ 50 – ₹ 500 crore allowing the Company to reach a larger customer base in remote geographies and considerably reducing the turnaround time for extending credit to customers. Moreover, majority of its partners maintained a healthy Capital Adequacy Ratio (CAR) of more than 20%, which is well above the threshold limit.

Regionwise NBFCs and NBFC-MFI Partners - FY 2021-22



BUSINESS PERFORMANCE

With its diverse range of financial products and services, MAS is in a strong position to meet the financial needs of customers in the low and middle income segments.

Performance of various Product Offerings

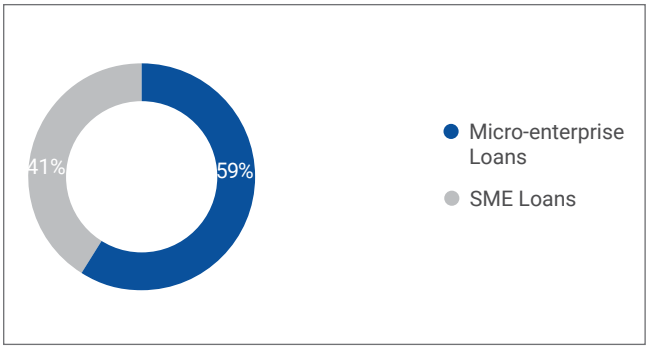
MSME Loans

Micro-Enterprise Loan (MEL)

MAS offers loans to small enterprises spread across 190 business categories, including retailers, traders, small manufacturers and service providers. The ticket size of these loans ranges from ₹ 0.5 lakh to ₹ 10.0 lakhs.

Small & Medium Enterprises (SME) Loan

The Company offers loans to SMEs engaged in manufacturing, trading or services, for the purchase of fixed assets, like machinery or industrial property, and also for their working capital requirements such as purchase of stock, replacing trade credit, etc. The ticket size of these loans ranges from ₹ 10 lakhs to ₹ 3 crore.



FY 2021-22, MAS provided loans amounting to ₹ 3,308.67 crore as MEL loans and ₹ 2,211.90 crore as SME loans. The AUM for MEL loans stood at ₹ 3,249.38 crore and SME loans stood at ₹ 2,274.80 crore as on 31st March, 2022 as compared to ₹ 2,970.46 crore and ₹ 1,872.37 crore respectively as on 31st March, 2021.

Two-Wheeler and Commercial Vehicle Loans

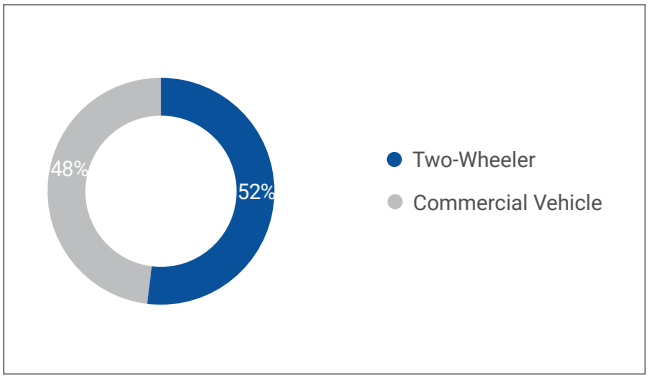
Two-Wheeler Loans

MAS offers two-wheeler loans to farmers, self-employed businessmen, professionals and salaried customers in urban, semi-urban, and rural areas. The ticket size of these loans ranges from ₹ 25,000 to ₹ 1.50 lakhs.

Commercial Vehicle Loans

The Company provides for the purchase of commercial vehicles. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 33,000 to ₹ 15 lakhs.

MAS also assists individuals and businesses in buying bikes for personal use or to expand their transport/distribution business. In FY 2021-22, MAS provided loan amounting to ₹ 558.56 crore.

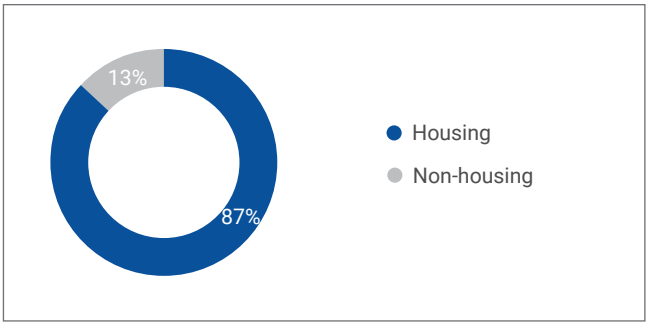


AUM for Commercial Vehicles and Two-Wheeler Loans stood at ₹ 720.90 crore as on 31st March, 2022 in comparison to ₹ 529.61 crore as on 31st March, 2021.

Housing Loans

MAS Rural Housing & Mortgage Finance Ltd. (MRHMFL) is a subsidiary of MAS. It was set up as a Housing Finance Company (HFC) in 2008, to provide affordable housing loans to customers in the low and middle-income group, especially in semi-urban and rural areas. MRHMFL offers housing loans to customers for the purchase, construction or renovation of their homes. It also extends loans to developers for the construction of affordable housing projects.

In FY 2021-22, MRHMFL provided housing loans amounting to ₹ 105.51 Crore.



As on 31st March, 2022, the AUM for MRHMFL's business stood at ₹ 316.34 crore as compared to ₹ 284.90 crore as on 31st March, 2021.

FINANCIAL PERFORMANCE

(Amount in ₹ Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Revenue from Operations	65,594.47	59,324.71	69,017.37	62,739.48
Other Income	150.58	64.19	93.40	31.75
Total Income	**65,745.05**	**59,388.90**	**69,110.77**	**62,771.23**
Total Expenditure	**44,578.25**	**40,099.61**	**47,462.46**	**43,174.32**
Profit Before Tax	**21,166.80**	**19,289.29**	**21,648.31**	**19,596.91**
Provision for Taxation (Including Current Tax, Deferred Tax & Income Tax of earlier Years)	5,384.16	4,938.99	5,533.43	5,044.48
Net Profit	**15,782.64**	**14,350.30**	**16,114.88**	**14,552.43**
Profit Brought Forward	39,634.96	28,104.57	39,934.36	28,381.53
Net Profit after profit attributable to minority shareholders	-	-	(184.12)	(116.42)
Item of other comprehensive income recognised directly in retained earnings - on defined benefit plan	(8.30)	50.15	(7.19)	54.03
Profit Available for Appropriation	**55,409.30**	**42,505.02**	**55,857.93**	**42,871.57**
APPROPRIATIONS:				
Transfer to reserve u/s 45-IC of RBI Act, 1934	(3,156.53)	(2,870.06)	(3,156.53)	(2,870.06)
Transfer to reserve u/s 29-C of NHB Act, 1987	-	-	(87.29)	(66.83)
Final Dividend on Equity Shares	(819.93)	-	(819.93)	-
Interim Dividend on Equity Shares	(683.28)	-	(683.28)	-
Dividend distribution tax on Equity Shares	-	-	-	(0.32)
Surplus Balance carried to Balance Sheet	**50,749.56**	**39,634.96**	**51,110.90**	**39,934.36**

Details of significant changes in Key Financial Ratios

During FY 2021-22, Operating Expense Ratio (OE Ratio) witnessed a change exceeding 25% or more as compared to the immediately previous financial year. The change in the key financial ratio on a comparable basis was due to the business returning to normal post COVID.

Details of changes in Operating Expense Ratio:

For FY 2021-22, the Company's Operating Expense Ratio was 1.59% as compared to 1.02% for FY 2020-21.

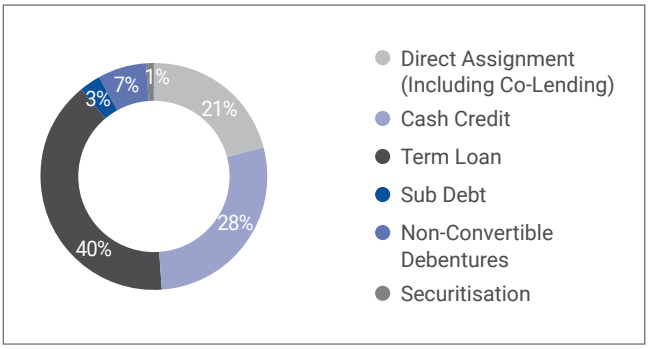
LIABILITY MANAGEMENT

MAS considers liability management as a critical function. Prudent liability management has enabled the Company to tide over challenges within the industry, as well as raise adequate liability as per regulatory requirements.

Over the years, the Company has developed robust bonds and established itself with leading banks and financial institutions. With this sterling reputation, fund management experience and expertise, it aims to deliver benefits to its clients and value for its stakeholders.

During the year under review, the Company continued to efficiently manage its Asset Liability Management (ALM). It continued to follow a strategy comprising a judicious borrowing mix of term loans, debentures, direct assignment and cash credit.

As on 31st March, 2022, the Company's total borrowings stood at ₹ 4,550.06 crore. Around 75% of the asset portfolio comprises of MSME loans, which qualifies as Priority Sector Lending. The Company aims to maintain around 20%-25% of AUM as off book through direct assignment and Co-lending transactions. It is with door-to-door maturity and without recourse to the Company. This further strengthens the liability management.



Following prudent practices, the total Cash credit limit available to the Company is ₹ 1,825 crore spread across 14 banks. The utilisation level is maintained at 65% - 70% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.

As on 31st March, 2022, the Company had a liquidity buffer of around ₹ 800 crore and an unutilised Cash Credit facility of around ₹ 300 crore. In addition, the Company has a sanction on hand to the tune of ₹ 1,200 crore in the form of Term Loan, NCD and Direct assignment.

MAS has also assessed its structural liquidity for the period ended 31st March, 2022 and concluded that there is no negative impact on liquidity and the cash flow. The Company has also stress-tested its liquidity model and is comfortably placed to meet its repayment obligations for the entire year.

RESOURCE MOBILISATION

Share Capital: As on 31st March, 2022, the issued and paid-up Equity Share Capital of the Company stood at ₹ 54.66 crore consisting of 5.46 crore Equity Shares of ₹ 10 each.

Term Loan: For FY 2021-22, the Company availed term loans amounting to ₹ 1,460 crore with an average tenure of 4 years.

Assignment of Loan Portfolio/Co-Lending: For FY 2021-22, the Company has done assignment of portfolio/co-lending to the tune of ₹ 1,329.68 crore.

Securitisation of Loan Portfolio: For FY 2021-22, the Company has done Securitisation of Loan Portfolio to the tune of ₹ 89.22 crore.

Non-Convertible Debentures (NCDs): For FY 2021-22, the Company has issued NCDs (Including Subordinated Debentures of ₹ 100 crore) to the tune of ₹ 400 crore.

CREDIT RATINGS

For FY 2020-21, the below credit rating was obtained from:

Acuité Ratings & Research

Acuité has reaffirmed its long-term rating of 'ACUITE AA-' (read as ACUITE double A minus) on the ₹ 4,500 crore bank facilities with 'Stable' Outlook.

Acuité has reaffirmed its short-term rating of 'ACUITE A1+' (read as ACUITE A one plus) on the ₹ 300 crore Commercial Paper Programme.

CARE Ratings

CARE has reaffirmed its rating of CARE A+ (read as Single A Plus) on the ₹ 5,000 crore Long Term Bank Facilities with 'Stable' Outlook.

CARE has reaffirmed its rating of CARE A+ (read as Single A Plus) on the ₹ 500 crore Non-Convertible Debenture (NCD) Issue with 'Stable' Outlook.

CARE has reaffirmed its rating of CARE A1+ (read as A One Plus) on the ₹ 250 crore Commercial Paper Issue.

CARE has assigned its rating of CARE PP-MLD A+ (read as Principal Protected-Market Linked Debentures Single A Plus) on the ₹ 400 crore Principal Protected Market Linked Debenture (MLD) Issue with 'Stable' Outlook.

CARE has assigned its rating of CARE A+ (read as Single A Plus) on the ₹ 100 crore Subordinated bonds Facilities with 'Stable' Outlook.

ICRA Limited

ICRA has reaffirmed its rating of ICRA A on the ₹60 crore Subordinated Debt Program with 'Stable' Outlook.

CAPITAL MANAGEMENT

MAS continuously works towards maximising returns on capital employed with a prudent capital management strategies. It ensures that these strategies are within the purview of the guidelines laid down by the RBI. The Company aims to enhance its capital management practices with the goal of strengthening its balance sheet.

CREDIT AND RISK MANAGEMENT

MAS views risk management as an integral function of the Company. There are various risks that the Company may encounter; some of which emerge from within the Company while others may arise due to external factors.

Various risk management measures have been instituted to pre-empt, check and mitigate these risks. The Company clearly defines risk appetite, functional policies and key risk indicators (KRIs) to explicitly define the level and nature of risk that it is willing to take.

Its risk management structure proactively identifies the risks, implementing robust risk mitigation measures and continuous review of the same. These broadly include risk assessment, risk catalogue, risk appetite framework, risk planning, risk culture, internal controls and good governance.

To pre-empt and minimise credit risk, MAS has developed customised credit analysis procedures for each product depending on the nature of the customer, purpose of the loan and the amount of loan advanced. The risk and collection department continuously align credit and collection policies and resourcing, obtaining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team. Further, MAS maintains sufficient spreads, offers relatively short tenure loans and resets lending rates periodically to mitigate the risk of interest rate volatility.

At the end of FY 2021-22, the net NPAs of the Company stood at 1.70% of total AUM. During the year under consideration, it has extended loans with an average tenure of 23 months. Besides, MAS has a well-diversified portfolio of borrowers within its business segments. The inter-segment and intra-segment diversity applies to a very large market size, serves as a very potent protection against market risks that could occur due to various macro-economic developments. Moreover, the Company on a regular basis tracks the market developments and undertakes appropriate actions whenever required.

OPPORTUNITIES & THREATS

MAS constantly monitors the external environments and internal situation so that it is aware of the opportunities and threats that emerge. This enables the Company to tap into the positive prospects that come its way while overcoming or bypassing the challenge of threats.

Opportunities

- Diverse loan book and pan-India presence to accelerate growth
- Unique Business Model helps to minimise risk and operating cost
- Adequate capitalisation to support medium-term growth plans
- Brand recognition among lower income and middle income groups of the society spread across urban, semi urban, and rural areas
- Operates in underpenetrated business segment with huge growth potential
- Successful track record of catering to the MSME sector
- Initiatives by the Government to further boost MSME sector

Threats

- Unpredictable policy changes by the Government
- Increasing competition from local and global players
- Higher exposure to semi-formal and informal sector customers

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

MAS has adequate internal controls and standardised operating processes that are envisaged to protect assets and business efficiency. The Company has established strong and well-entrenched internal control procedures commensurate with its size and operations and relevant to its broad domain of the lending business.

Internal financial controls have been developed for and implemented at every business process across the Company. This ensures strict adherence and compliance with statutes and laws. Checks and balances and control systems have been established to ensure that assets are safeguarded, utilised with proper authorisation and recorded in the books of account.

The Company takes a complete view of the credit assessment process by framing credit screens based on reliable demographic data and strict adherence of the same with an element of adaptability. At the same time, there is no compromise on the fundamentals of extending credit, where it is outstanding.

MAS is continuously strengthening its due diligence, audit process, evaluation and the exposure matrix for all its NBFC partners. Internal controls also include regular monitoring of operational expenditure with an endeavour to bring it down through improved efficiencies.

The efficacy and adequacy of internal controls and their execution are driven by the ethos of striving for constant improvement. The Company's Audit Committee reviews the internal control system and looks into the observations of the statutory and internal auditors. This includes review of policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business and fixing responsibility against all the controls.

The management tests the controls across processes and redressal of any deviations in business operations is undertaken. The Audit function provide reasonable assurance regarding the effectiveness and efficiency of operations, safeguarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations.

HUMAN RESOURCES

MAS values its human capital and acknowledges that this resource is the most crucial asset that drives its growth. Accordingly, it constantly aims to provide its people with a conducive work environment and deliver employee satisfaction while motivating them to achieve more on a personal and professional level. The Company has fostered a work culture that is inclusive and encourages everyone to take responsibility and feel a sense of pride in what they do. This approach has resulted in a high retention rate.

MAS consistently reviews its business and people policies towards improving ways of working. The Company has established robust talent management practices with development interventions, productivity improvement initiatives and reward mechanisms. All these serve the dual purpose of achievement of organisational goals and key milestones as well as retention of people.

MAS is also committed to enriching its people's capabilities by encouraging them to upgrade their knowledge and upskill through Learning & Organisational Development.

The leaders of the Company – its promoters and management - adhere to the highest standards of corporate governance and are proactively involved in its strategic progress. The senior management team comprises experienced professionals who have been in the lending business and have been associated with MAS since its inception.

As on 31st March, 2022, the employee strength of the Company stood at 946.

OUTLOOK

The role of NBFCs in the larger financial sector is expected to gain in strategic importance. As these enterprises begin to cater more deeply to the financial needs of the hitherto overlooked or under-served segments of the population, their market share and product range will expand. The segment that they are targeting is immense and they have only begun to scratch the surface.

Being predominantly digital natives, there is already a trend towards greater use of digital tools and technology amongst NBFCs in their processes and customer outreach. This will enhance their efficiency parameters, going forward. Additionally, as NBFCs cater to those at the bottom of the pyramid, both at the individual as well as enterprise level, it is assumed that while their clients rise in economic status, they will continue to patronise the financiers that have introduced them to the formal financial sector, assuming that they receive good service and suitable products.

Within this evolving scenario, MAS has clarity on the path ahead with respect to its approach to Asset Creation and Liability Management.

MAS envisions continuing to serve the informal LIG and MIG class of customers spread over rural, semi urban and urban areas, leveraging its experience of over two decades and striving to add value to its clients' lives. SME and Housing finance offer huge potential and the Company will maintain adequate focus on these verticals as it anticipates that they could be key growth drivers.

The Company believes that growth, along with asset quality, is the key to enhancing shareholder value. It anticipates that growth will remain in the range of 20-30% over the next five years, with an understanding that it will recalibrate this range, depending on how the macro-economic situation pans out. Accordingly, it plans to prioritise asset quality and profitability and thereby maintain healthy ROA and ROCE.

Further, the Company seeks to strengthen its distribution network within the current states where it is operational, while exploring the potential of entering into new geographies. It also endeavours to provide one of the most efficient financial services, which it terms as the 'Power of Distribution'.

Where Liability Management is concerned, MAS believes in maintaining an ideal debt resource mix and ensuring continuous flow of funds while maintaining an optimum utilisation of capital. The assets created by the Company are expected to generate good securitisation and assignment demand and thereby enable MAS to de-risk and maintain its off-book portfolio.

Finally, to achieve Operational Excellence, MAS believes in learning and unlearning in a constant endeavour to improve efficiency in all areas of operation.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company opted a prudent practice of amortising the income over the tenure of loans assigned instead of booking it upfront. This practice in management's view ensures true and fair financial position of the Company. The same is a deviation from the Ind AS 109 'Financial Instruments' but according to the management well within the framework of Ind AS 1 para 19 and 20.

Please refer note 32 of the standalone financial statements for detailed explanation.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of MAS, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Company's Annual Report FY 2021-22.

Annexure - I

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors' Report for the year ended March 31, 2022.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective Corporate Governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the stakeholders, shareholders, employees and customers. Good Corporate Governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the organization; It enhances long term Shareholders value through assisting the top management in taking sound business decisions and prudent financial management and achieving transparency and professionalism in all decisions and activities of the Company.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to corporate governance and the Regulations of RBI for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'NBFC Regulations'), as applicable to the Company.

Good Corporate Governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the Company and its shareholders and should facilitate effective monitoring. The Company acutely and consistently reviews its systems, policies and internal controls with an objective to establish sound risk management system and impeccable internal control system.

BOARD OF DIRECTORS:

At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

CONSTITUTION OF BOARD:

a) The Board of the Company comprises six (6) Directors out of which one (1) is Promoter Executive Director, one (1) is Woman Executive Director, one (1) is Woman Independent Director and Three (3) are Independent Directors as on March 31, 2022, the details of which are as below:

Name of Directors	Designation	Category	Date of Appointment	Total Directorship including this Company	No. of Committee Membership/ chairman in other Domestic Companies including this Company^		No. of Equity Shares held as on March 31, 2022
					Chairman#	Members ##	
Mr. Kamlesh Chimanlal Gandhi	Chairman & Managing Director (Promoter)	Executive Director	25/05/1995	5	-	-	63,04,508
Mrs. Darshana Saumil Pandya	Director & CEO	Executive Director	23/09/2016	4	-	3	15,434
Mr. Balabhaskaran	Independent Director	Non - Executive Director	25/05/1995	4	3	-	945
Mr. Chetan Ramniklal Shah	Independent Director	Non - Executive Director	06/06/2008	2	-	3	Nil
Mr. Umesh Rajanikant Shah	Independent Director	Non - Executive Director	21/12/2016	1	-	1	250
Mrs. Daksha Niranjan Shah	Independent Director	Non - Executive Director	14/03/2019	10	-	-	Nil

^ Committee includes Audit Committee and Stakeholder Relationship Committee across all Public Companies.

Details of Chairman in Committees:

Director	Committee
Mr. Balabhaskaran	1. Audit Committee – MAS Financial Services Limited 2. Stakeholder Relationship Committee – MAS Financial Services Limited 3. Audit Committee – MAS Rural Housing & Mortgage Finance Limited

Details of Membership in Committees:

Name of Director	Membership in Committees
Mr. Balabhaskaran	1. Audit Committee - MAS Financial Services Limited 2. Stakeholder Relationship Committee - MAS Financial Services Limited 3. Audit Committee – MAS Rural Housing & Mortgage Finance Limited
Mr. Umesh Shah	1. Audit Committee – MAS Financial Services Limited
Mr. Chetan Shah	1. Audit Committee – MAS Financial Services Limited 2. Stakeholder Relationship Committee – MAS Financial Services Limited 3. Audit Committee – MAS Rural Housing & Mortgage Finance Limited
Mrs. Darshana Pandya	1. Audit Committee – MAS Financial Services Limited 2. Stakeholder Relationship Committee – MAS Financial Services Limited 3. Audit Committee – MAS Rural Housing & Mortgage Finance Limited

None of the above Directors bear inter-se relation with other Directors.

The composition of Board complies with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

None of the Directors on the Board holds directorships in more than seven listed companies and none of the Independent Director serves as an Independent Director in more than seven listed companies.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

b) Names of the other listed entities where the person is a Director and the Category of Directorship:

Names of Directors	Name of the listed entities	Category of Directorship
Mrs. Daksha Shah	Sadbhav Infrastructure Project Limited	Non-Executive - Independent Director

BOARD MEETINGS:

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional board meetings are convened, as and when required to discuss and decide on various business policies, strategies and other businesses. The Board meetings are held at Ahmedabad.

During the year under review, Board of Directors of the Company met 5 (Five) times, viz May 19, 2021, July 22, 2021, August 11, 2021, October 27, 2021 and February 02, 2022.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Name of Directors	No. of Board meeting held during the year (2021-22)	No. of Board Meeting attended during the year (2021-22)	Attended the previous AGM (Yes or No)
Mr. Kamlesh C. Gandhi	5	5	Yes
Mrs. Darshana S. Pandya	5	5	Yes
Mr. Balabhaskaran	5	5	Yes
Mr. Chetan R. Shah	5	5	Yes
Mr. Umesh R. Shah	5	5	Yes
Mrs. Daksha N. Shah	5	5	Yes

Directorship & Membership of Board / Committees:

Name of Directors	Directorship	Category	*No. of Committees
Mr. Kamlesh Chimanlal Gandhi	1. MAS Financial Services Limited#	Executive Director	-
	2. MAS Rural Housing & Mortgage Finance Limited	Executive Director	-
	3. Prarthna Marketing Private Limited	Executive Director	-
	4. Swalamb MASS Financial Services Ltd	Executive Director	-
	5. Finance Industry Development Council	Non-Executive Director	-
Mrs. Darshana Saumil Pandya	1. MAS Financial Services Limited#	Executive Director	Audit Committee – Member Stakeholders' Relationship Committee - Member
	2. MAS Rural Housing & Mortgage Finance Limited	Executive Director	Audit Committee - Member
	3. Swalamb MASS Financial Services Ltd.	Executive Director	-
	4. Prarthna Marketing Private Limited	Executive Director	-
Mr. Balabhas-karan	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Chairman Nomination & Remuneration Committee – Chairman Stakeholders' Relationship Committee - Chairman
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	Audit Committee – Chairman Nomination & Remuneration Committee - Chairman
	3. Swalamb MASS Financial Services Ltd	Non - Executive Director	-
	4. Kesavan Chandrika Foundation	Non - Executive Director	-
Mr. Chetan Ramniklal Shah	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee – Member Stakeholders' Relationship Committee - Member
	2. MAS Rural Housing & Mortgage Finance Limited	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee - Member
Mr. Umesh Rajanikant Shah	1. MAS Financial Services Limited#	Non - Executive Director	Audit Committee – Member Nomination & Remuneration Committee – Member
Mrs. Daksha Niranjan Shah	1. MAS Financial Services Limited#	Non - Executive Director	-
	2. Saline Area Vitalisation Enterprise Limited	Non - Executive Director	-
	3. Sadbhav Infrastructure Project Limited#	Non - Executive Director	-
	4. Altura Financial Services Limited	Executive Director	-
	5. Rohtak – Panipat Tollway Private Limited	Non - Executive Director	-
	6. Rohtak – Hissar Tollway Private Limited	Non - Executive Director	-
	7. Sadbhav Jodhpur Ring Road Private Limited	Non - Executive Director	-
	8. Sadbhav Kim Expressway Private Limited	Non - Executive Director	-
	9. Maharashtra Border Check Post Network Limited	Non - Executive Director	-
	10. Sadbhav Gadag Highway Private Limited	Non - Executive Director	-

*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee (SRC) across all Public Companies.

Securities of the Entity are listed on Stock Exchange.

List of Matrix/chart of special skill:

Sr. No.	Name of the Directors	Skills/Expertise identified by the Board	Specialization
1.	Mr. Kamlesh C. Gandhi	• Integrity, • Ability to function as Team, • Leadership Quality, • Commitment • Future Vision & Innovation	He is the Founder, Chairman and Managing Director of the Company. He manages the Company with the guidance and support of the Board. He is a proficient and experienced industry practitioner with a brilliant track record. He has over two decades managed and propelled the Company's growth. He holds Higher secondary school examination certificate from the Gujarat Secondary Education Board, Gandhinagar in 1983. His understanding and the vision is among the key enables for the consistent performance of the Company.
2.	Mrs. Darshana S. Pandya		She is having vast experience in the Finance sector for past 25 years. She is a commerce graduate who joined the Company in 1996 as a junior executive and through her hard work, immaculate working and determination to excel, accompanied by enabling support from the management; rose to the level of Director & CEO. She is very dedicated towards her roles & responsibilities. She is having good exposure in the Finance sector. During her career span, she has successfully established and led many innovative services which have led the organization grow. (i.e. created value in the organization). She is responsible for leading the operations at MAS and also the relationship of the company with its more than 100 NBFC-MFI & NBFC Partners.
3.	Mr. Balabhaskaran		He has over 25 years of professional experience and has in the past held various positions with Shanti Business School as Director, PGDM, Gujarat Industrial Investment Corporation Limited as Senior Manager (Overseas Cell), Jyoti Limited as the Corporate Planning Officer, Bihar State Credit & Investment Corporation Private Limited as Development Officer, Indian Institute of Management as a researcher, Tata Merlin & Gerin Limited as Junior Engineer, Khira Steel Works Private Limited as Trainee Industrial Engineer, and Reunion Engineering Company Private Limited as Trainee Engineer. He holds a bachelor's of technology degree in electrical engineering (power) from Indian Institute of Technology, Madras, a post graduate diploma in management from Indian Institute of Management, Bangalore and a doctorate in management from Sardar Patel University. He is also a qualified chartered financial analyst registered with the Institute of Chartered Financial Analysts of India. The Company is benefitted from the valuable experience, knowledge and Expertise of Mr. Balabhaskaran.
4.	Mr. Chetan R. Shah		He has over 36 years of experience in the financial services sector and has in the past worked with the Natpur Co-Operative Bank as the Manager – Finance. He holds bachelor's degrees in commerce and law (general) from Gujarat University and He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India. The Company is benefitted from the valuable experience, knowledge and Expertise of Mr. Chetan R. Shah.
5.	Mr. Umesh R. Shah		He has more than three decades of experience in the diversified fields connected with Finance, Accounting, Auditing and Taxation. He is Bachelor of Commerce and Chartered Accountant holding membership of the Institute of the Chartered Accountants of India (ICAI). The Company is benefitted from the valuable experience, knowledge and Expertise Mr. Umesh R. Shah.

Sr. No.	Name of the Directors	Skills/Expertise identified by the Board	Specialization
6.	Mrs. Daksha N. Shah		She has rich experience of more than three decades in diversified fields of Textile, Chemical and Financial services. She worked as a Programme Director of Vikas Centre for Development and Friends of Women's World Banking by serving and building capacity of more than 80 Microfinance Organizations all over India. She has served on the Board of various MFIs as well as Trustee of various Trusts involved in social and humanitarian work. She worked as Managing Director of Pahal Financial Services Pvt. Ltd. from 2011 to 2014. At present she is the Managing Director of Altura Financial Services Ltd since 2014. She is a business graduate from Indian Institute of Management (IIM), Ahmedabad, specializing in Finance and Marketing and also a student of Economics and Statistics. She has undergone various courses such as the course in Microfinance at the Economic Institute, Boulder, Colorado, USA. The Company is benefitted from the valuable experience, knowledge and expertise of Mrs. Daksha N. Shah.

In the opinion of the Board, the independent directors fulfill the conditions specified in Listing Regulations and are Independent of the Management.

No Independent Director has resigned before the expiry of their tenure during the year; therefore there is no requirement to make any disclosure in the said matter.

Independent Directors and Evaluation of Directors and the Board:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has Four Independent Directors in line with the Companies Act, 2013 and the provisions of Listing Regulations. The terms and conditions of appointment of Independent Directors and Code for Independent Directors are hosted on the website of the Company at www.mas.co.in. The Company has received necessary declaration from each Independent Directors under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 alongwith in compliance in Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 25 (8) & (9) of Listing Regulations.

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and of each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

A separate meeting of Independent Directors was held on February 2, 2022 to review the performance of Non-Independent Directors and Board as whole.

Familiarization Programme:

The Company has adopted the Familiarization Programme to familiarize Independent Directors of the Company. The Company has held programmes for the Independent Directors and some of such programmes carried out during the year were as under:

- Various presentations were made by the Senior Executives, Statutory Auditor inter alia, about the business of the Company and of its subsidiaries from time to time, on different functions and areas, with special reference to the nature of the industry in which these companies operate.
- Deliberations were held and presentations were made from time to time on major development in the areas of the Companies Act 2013, notifications including amendments in existing regulations issued by the Securities and Exchange Board of India (SEBI), and amendments in circular of Reserve Bank of India (RBI).
- The regular meeting of the Independent Directors is being held with Executive Directors to interact with the strategy, operation and functions of the Company. Further, the Independent Directors are provided with opportunity to interact with the Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Company conducted Five (5) programmes during the year 2021-22 and the time spent by Independent Directors was in the range of 1.5-2 hours.

It may be noted further that the independent directors of the Company being persons of great eminence and expertise were already well conversant with the business

and functioning of the Company, as also with other aspects referred to in the above-said regulation. Further, considering the variety of programmes conducted for the independent directors, the particulars of number of programmes, numbers of hours spent in such programmes & such other details of familiarization programmes are not being provided separately.

The Familiarization Programme, as adopted by the Board, has been uploaded on the website of the Company at www.mas.co.in.

Details of Committees

A. AUDIT COMMITTEE:

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. Audit Committee meetings are generally held once in a quarter for the purpose of recommending the quarterly / half yearly / yearly financial result and the gap between two meetings did not exceed one hundred and twenty days. Additional meetings are held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met 6 (Six) times on May 18, 2021, July 21, 2021, July 22, 2021, August 10, 2021, October 27, 2021 and February 02, 2022.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Balabhaskaran	Chairman	6	6
Mr. Chetan Shah	Member	6	6
Mr. Umesh Shah	Member	6	6
Mrs. Darshana Pandya	Member	6	6

The Statutory Auditors and Internal Auditors of the Company are invited in the meeting of the Committee wherever required.

Mr. Balabhaskaran, the Chairman of the Audit Committee had attended last Annual General Meeting of the Company held on August 25, 2021.

The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

Recommendations of Audit Committee have been accepted by the Board of wherever/whenever given.

A. Broad terms of Reference:

The role of the audit committee shall include the following:

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.

(23) The Committee shall review compliance with the provisions of Securities and Exchange Board of Indian (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

B. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

B. NOMINATION AND REMUNERATION COMMITTEE:

The Company has formed Nomination and Remuneration Committee in line with the provisions Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Director or Key Managerial Personnel and may be appointed in senior management and recommending their appointments and removal and also to review key result areas and key performance expected from the directors during the quarters and to review remuneration paid to the directors, key managerial personnel and senior management team. During the year under review, the members of Nomination and Remuneration Committee met 4 (Four) times on May 18, 2021, August 11, 2021, October 27, 2021 and February 02, 2022.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Balabhaskaran	Chairman	4	4
Mr. Chetan Shah	Member	4	4
Mr. Umesh Shah	Member	4	4

Broad terms of reference:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2. formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. devising a policy on diversity of board of directors;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. recommend to the board, all remuneration, in whatever form, payable to senior management.

Remuneration of Directors:

The Company has not entered into any pecuniary relationship or transactions with Non-Executive Directors of the Company.

Further, criteria for making payment, if any, to non-executive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company viz https://www.mas.co.in/policy.aspx.

During the year under review, the Company has paid remuneration to Executive Directors of the Company, details of which are as under:

Sr. No.	Name of Directors	Designation	Component of payment	Remuneration paid (₹ In lakh)
1.	Mr. Kamlesh Gandhi	Chairman & Managing Director	Salary	370.82
2.	Mrs. Darshana Pandya	Director & CEO	Salary	44.06

During the year under review, the Company has paid Sitting fees to Non – Executive Independent Directors of the Company, details of which are as under:'

Sr. No.	Name of Directors	(₹)
1.	Mr. Bala Bhaskaran	2,25,000
2.	Mr. Chetan Shah	2,55,000
3.	Mr. Umesh Shah	2,25,000
4.	Mrs. Daksha Shah	75,000

The remuneration of the Executive Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration Policy within the limit approved by the Board or Members.

Further, the Independent Directors are paid fixed sitting fees i.e. ₹ 10,000/- per committee meeting & ₹ 15,000/- per Board meeting.

No other performance linked incentives or any other fees are paid to any of the Directors.

The Company has not entered into any Service Contract with the Directors, except agreement with the Managing Director entered with Mr. Kamlesh C. Gandhi and Whole-Time Director agreement with Mrs. Darshana S. Pandya who is the Whole-time Director of the Company.

The Notice Period of the Executive Directors of the Company is 6 months. Further, there is no notice period for the Independent Directors of the Company.

The Company does not pay any severance fees to any of the Directors.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable.

C. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Company has constituted Stakeholder's Relationship Committee in pursuance to the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

During the year under review, Stakeholders' Relationship Committee met 4 (Four) times May 18, 2021, August 11, 2021, October 27, 2021 and February 02, 2022.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Balabhaskaran	Chairman	4	4
Mrs. Darshana Pandya	Member	4	4
Mr. Chetan Shah	Member	4	4

Complaint

During the year, the Company had not received any complaints from the Shareholders of the Company. Therefore there was no complaint pending as on March 31, 2022.

Mr. Balabhaskaran, the Chairman of the Committee had attended last Annual General Meeting of the Company held on August 25, 2021.

Investor Grievances Officer

Ms. Riddhi Bhaveshbhai Bhayani
Company Secretary and Compliance Officer
6, Narayan Chambers, Ground Floor,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009
E-Mail: greivance@mas.co.in
Phone: +91-79-41106638

Broad terms of reference:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal, the Company has no transfers pending at the closure of the financial year. The Committee shall also review services rendered by the Registrar & Share Transfer Agent;

4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

D. RISK MANAGEMENT COMMITTEE:

The Company has constituted Risk Management Committee in pursuance to the Regulation 21 of Listing Regulations as amended, to assess the risk associated, mitigation of such risk and formulation of Risk Management Plan.

During the year under review, Risk Management Committee has met 4 (four) times on May 18, 2021, August 11, 2021, October 27, 2021 and February 02, 2022.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2021-22	
		Held	Attended
Mr. Chetan Shah	Chairman	4	4
Mr. Umesh Shah	Member	4	4
Mrs. Darshana Pandya	Member	4	4

Board Terms of Reference:

1. To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   c) Business Continuity Plan

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

   Pursuant to Reserve Bank of India Circular No. DNBR (PD) CC.No.099/03.10.001/2018-19 dated May 16, 2019 the Company had appointed Mr. Nishant Jain as Chief Risk Officer, in order to carry out all functions and discharge all responsibilities as per the terms of the aforesaid RBI circular.

E. GENERAL BODY MEETINGS

a. Annual General Meetings:

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2020-21	August 25, 2021	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	Nil
2019-20	December 09, 2020	The Company had conducted the Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) in line with the MCA Circular	11.30 A.M.	2
2018–19	June 26, 2019	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.00 A.M	4

Following Special Resolutions were passed as per the procedure prescribed under Section 108 & Section 109 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2011 and as per Circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India under the overall supervision of the Scrutinizer, Mr. Ravi Kapoor, Practicing Company Secretary.

Resolution(s)	Details of Resolution(s)	Resolution(s) Passed on	Total No. of votes in favour	Total No. of votes against	% of votes in favour	% of votes against
Special	Approval for increasing the Borrowing Powers under Section 180(1)(c) upto ₹ 7500 Crores	December 09, 2020	46447584	5877	99.9873	0.0127
Special	Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a).	December 09, 2020	46447584	5877	99.9873	0.0127
Special	Re-appointment Mr. Kamlesh C. Gandhi (DIN: 00044852) as the Managing Director of the Company for a term of 5 years.	June 26, 2019	50351192	1228	99.9976	0.0024
Special	Re-appointment Mr. Mukesh C. Gandhi (DIN: 00187086) as the Whole time Director of the Company for a term of 5 years.	June 26, 2019	50351192	1228	99.9976	0.0024
Special	Re-appointment Mr. Balabhaskaran (DIN: 00393346) as an Independent Director of the Company for a term of 5 years.	June 26, 2019	50285692	66728	99.8675	0.1325
Special	Re-appointment Mr. Chetan Shah (DIN: 02213542) as an Independent Director of the Company for a term of 5 years.	June 26, 2019	49602404	535819	98.9313	1.0687

All of the aforesaid resolutions were passed by the shareholders by requisite majority.

The Company has not passed any special resolution last year through postal ballot.

The Company has not proposed any Special Resolutions through Postal Ballot during the year under reference.

F. MEANS OF COMMUNICATION:

a. Financial Results:

The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as "Free Press Gujarat" in English and "Lok Mitra" in Gujarati language and are displayed on the website of the Company www.mas.co.in.

b. Website:

The Company's website www.mas.co.in contains a separate dedicated section namely "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company https://www.mas.co.in/annual-reports.aspx in a downloadable form.

c. Presentations/News Releases:

During the year under review, the Company has made presentations to institutional investors / to the analysts and it is available on the website of the Company https://www.mas.co.in/investor-presentation.aspx. Further, the Company has displayed official news releases which are available on company's website www.mas.co.in.

G. GENERAL SHAREHOLDERS INFORMATION:

a. Company Registration details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910GJ1995PLC026064.

b. Registered Office:

6, Narayan Chambers, Ground floor, B/H Patang Hotel Ashram Road, Ahmedabad – 380 006, Gujarat.

c. Date, time and venue of the 27th Annual General Meeting:

27th Annual General Meeting is to be held August 24, 2022 at 11:30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

d. Financial Year:

Financial year is April 1, 2022 to March 31, 2023 and financial results will be declared as per the following schedule:

Particulars	Tentative Schedule
Quarterly Results	
Quarter ending on June 30, 2022	On or before August 14, 2022
Quarter ending on September 30, 2022	On or before November 14, 2022
Quarter ending on December 31, 2022	On or before February 14, 2023
Annual Result of 2022-23	On or before May 30, 2023

e. Dividend Payment:

The Company had paid an interim dividend of ₹ 1.25/- (Rupees One decimal Twenty Five only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (12.5%) aggregating to ₹ 6,83,27,553.75/- (Rupees Six Crore Eighty Three Lakh Twenty Seven Thousand Five Hundred Fifty Three Rupees only). The same was declared by Board of Directors in their meeting held on February 02, 2022. The said dividend was paid on February 18, 2022.

Your Directors are pleased to recommend a Final Dividend of ₹ 1.75/- (Rupees One and Seventy Five Paise only) per equity share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up (17.50%) aggregating to 9,56,58,575.25/- (Rupees Nine Crore Fifty Six Lakh Fifty Eight Thousand and Fifty Paisa Only) for the Financial year 2021-22, subject to the approval of members in the ensuing Annual General Meeting of the Company. The payment of Final Dividend to the members will be subject to deduction of tax at source as per the applicable rate.

Tax deducted at source (TDS) on dividend

As per the amended Income Tax Act, 1961, through the Finance Act, 2020, there will be no dividend distribution tax payable by the Company. The dividend, if declared, will be taxable in hands of the shareholders. For details, shareholders are requested to refer to the Notice of AGM.

f. Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from August 18, 2022 to August 24, 2022 (both days inclusive) for the purpose of 27th Annual General Meeting.

g. Listing on Stock Exchanges:

The Company's Equity Shares are listed on the both the stock exchange details of the same are given below. The ISIN of the Company is INE348L01012.

BSE Limited	**National Stock Exchange of India Limited**
PhirozeJeejeebhoy Towers	Exchange Plaza
Dalal Street	Plot No. C/1, G Block
Mumbai – 400001	Bandra-Kurla Complex
Scrip Code: **540749**	Bandra (East)
	Mumbai – 400051
	Trading Symbol: **MASFIN**

The Company's Debt Securities are listed on BSE Ltd.

Annual listing fees for the year 2022-2023 have been paid by the Company to BSE Ltd. & National Stock Exchange of India Limited.

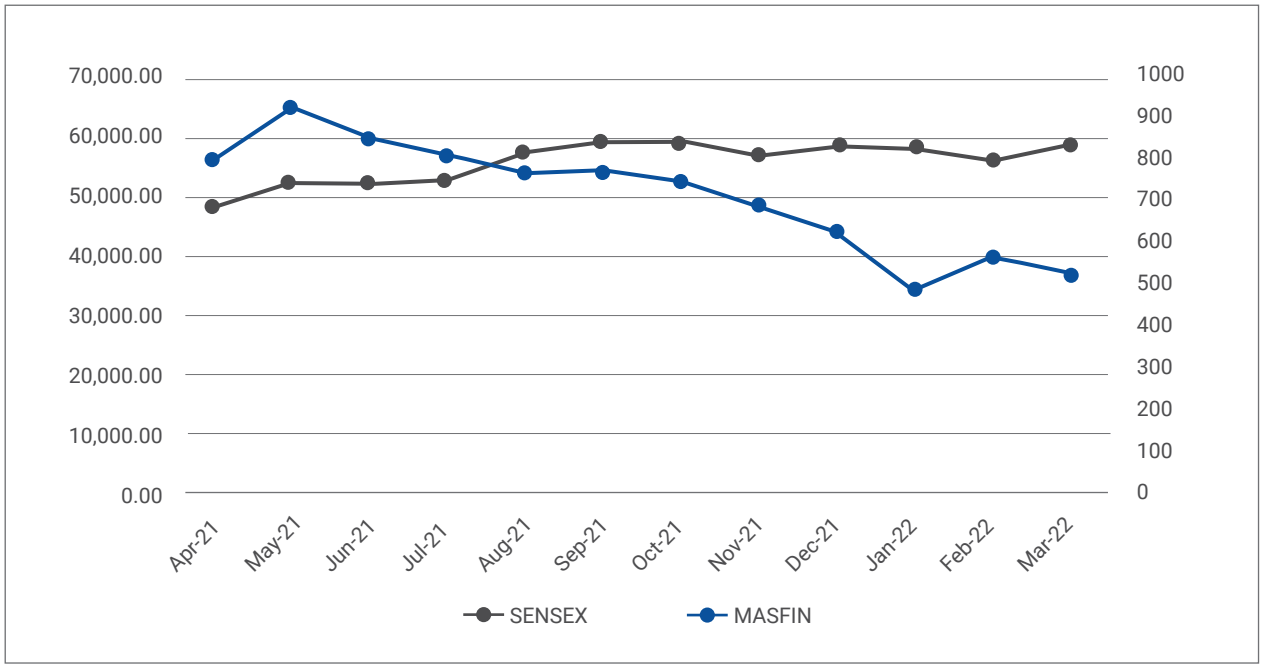
h. Market Price Data:

Month	Price of Company's Shares	
	High (In ₹) – BSE	Low (In ₹) - BSE
April, 2021	886.95	763.00
May, 2021	975.00	774.65
June, 2021	963.75	833.05
July, 2021	905.00	784.40
August, 2021	827.00	716.00
September, 2021	816.70	747.50
October, 2021	846.95	731.00
November, 2021	819.00	680.55
December, 2021	749.00	631.10
January, 2022	644.10	486.35
February, 2022	728.25	469.05
March, 2022	649.00	517.05

The performance of the equity share price of the Company at Stock Exchange at BSE is as under:

Month	MASFIN Share Price at BSE**	SENSEX**
April, 2021	799.95	48,782.36
May, 2021	931.15	51,937.44
June, 2021	854.90	52,482.71
July, 2021	815.10	52,586.84
August, 2021	769.70	57,552.39
September, 2021	778.15	59,126.36
October, 2021	755.05	59,306.93
November, 2021	686.40	57,064.87
December, 2021	632.50	58,253.82
January, 2022	489.65	58,014.17
February, 2022	568.35	56,247.28
March, 2022	534.75	58,568.51

** closing data on the last trading day of the month

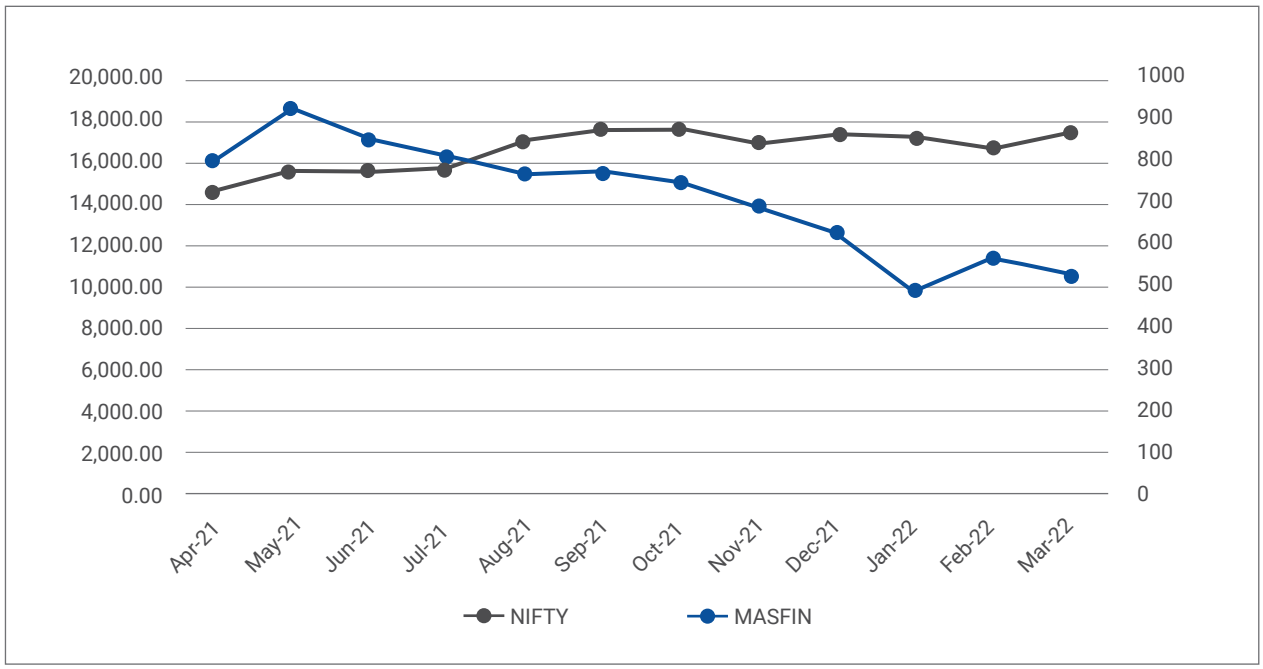


Month	Company's Shares	
	High (In ₹) – NSE	Low (In ₹) – NSE
April, 2021	864.00	761.10
May, 2021	975.10	775.00
June, 2021	965.00	833.35
July, 2021	908.00	784.15
August, 2021	827.00	717.40
September, 2021	818.80	746.40
October, 2021	820.00	725.00
November, 2021	796.75	685.55
December, 2021	739.00	630.50
January, 2022	646.00	485.00
February, 2022	728.00	460.30
March, 2022	649.00	515.20

The performance of the equity share price of the Company at Stock Exchange at NSE is as under:

Month	MASFIN Share Price at BSE**	SENSEX**
April, 2021	796.85	14,631.10
May, 2021	930.85	15,582.80
June, 2021	857.10	15,721.50
July, 2021	813.60	15,763.05
August, 2021	769.45	17,132.20
September, 2021	780.00	17,618.15
October, 2021	750.20	17,671.65
November, 2021	687.15	16,983.20
December, 2021	631.80	17,354.05
January, 2022	490.15	17,339.85
February, 2022	567.65	16,793.90
March, 2022	536.15	17,464.75

** closing data on the last trading day of the month



i. Registrar & Transfer Agents

Link Intime India Private Limited
Registered Office Address:
C-101, 1st Floor,
247 Park Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Tel No.: +91 22 -49186200
Fax No.: +91 22 -49186195
Email: mas.ipo@linkintime.co.in
Web: www.linkintime.co.in

Branch/Correspondence Address:

506 To 508, Amarnath Business Centre – 1,
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off, Chimanlal Girdharlal Rd,
Sardar Patel Nagar, Ellisbridge,
Ahmedabad – 380006
Tel No.: +91 79 26465179 /86 / 87
Fax No.: +91 79 26465179

j. Share Transfer Procedure:

All the physical transfers of shares are processed by the Registrar and Share Transfer Agents and are approved by the Stakeholders' Relationship Committee.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains a Certificate from a Practicing Company Secretary on half yearly basis, for due compliance of share transfer formalities.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996 and SEBI (Depositories and Participants) Regulations, 2018, a certificate have also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchange as required.

k. Shareholding as on March 31, 2022:

a. Distribution of Shareholding as on March 31, 2022:

Range of No. of Shares	No. of Shareholders		Shares held	
From – To	Number	%	Number	%
1-500	29346	94.4695	1582121	2.8944
501-1000	1011	3.2546	737698	1.3496
1001-2000	372	1.1975	514368	0.9410
2001-3000	110	0.3541	268704	0.4916
3001-4000	54	0.1738	185417	0.3392
4001-5000	36	0.1159	163200	0.2986
5001-10000	71	0.2286	495596	0.9067
10001 and above	64	0.2060	50714939	92.7791
Total	**31064**	**100**	**54662043**	**100.00**

b. Shareholding Pattern as on March 31, 2022:

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Demat		
Promoter and Promoter Group	-	4,02,53,996	4,02,53,996	73.64
Mutual Funds	-	44,42,868	44,42,868	8.13
Banks/FI/Central Govt./State Govts/ Trusts & Insurance Companies	-	5,53,680	5,53,680	1.01
Foreign Institutional Investors/ Portfolio Investor	-	8,34,839	8,34,839	1.53
NRI	-	2,17,818	2,17,818	0.40
Foreign Nationals	-	-	-	-
Foreign Companies	-	-	-	-
Bodies Corporate	-	4,21,341	4,21,341	0.77
Clearing Member	-	48,762	48,762	0.09
Directors / Relatives of Director	-	31,380	31,380	0.06
Indian Public / HUF	-	36,38,570	36,38,570	6.65
Trusts	-	40,44,763	40,44,763	7.40
NBFCs registered with RBI	-	-	-	-
Alternate Investment Funds	-	1,74,026	1,74,026	0.32
Total	**-**	**5,46,62,043**	**5,46,62,043**	**100.00**

l. Dematerialization of Shares and Liquidity

The Company's shares are traded in dematerialized form. All the Equity shares of the Company are dematerialized as on March 31, 2022.

The Company's shares are traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE348L01012.

m. Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:

There is no outstanding ADR/GDR, Warrants, or any other convertible instrument likely impact on equity.

n. Commodity Price Risk / Foreign Exchange Risk and Hedging:

Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

o. Site location:

The Company is in service sector and does not have any Site / Plant locations. However, the Company operates from its Registered Office only and has 125 branches as on March 31, 2022.

p. Address of Correspondence:

i) MAS Financial Services Limited
Ms. Riddhi Bhaveshbhai Bhayani
Company Secretary and Compliance Officer
6, Narayan Chamber, Ground Floor,
Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009
E-Mail: riddhi_bhayani@mas.co.in
Phone: +91-79-41106638

ii) For transfer/dematerialization of shares, change of address of members and other queries:
Link Intime India Private Limited
Nilesh Dalwadi (Client Relations)
506 To 508, Amarnath Business Centre – 1,
Beside Gala Business Centre,
Nr. St. Xavier's College Corner, Off. Chimanlal Girdharlal Rd.,
Sardar Patel Nagar, Ellisbridge,
Ahmedabad – 380006
Tel No.: +91 79 26465179 /86 / 87
Fax No.: +91 79 26465179
Email: mas.ipo@linkintime.co.in
Web: www.linkintime.co.in

q. Credit Ratings:

Sr. No.	Name of the Instrument	Current Rating
1	Long Term Bank Facilities	ACUITE AA-/Stable
2	Commercial Papers	ACUITE A1+
3	Long Term Bank Facilities	CARE A+; Stable
4	Commercial Papers issue	CARE A1+
5	Non Convertible Debentures	CARE A+; Stable
6	Market Linked Debentures	CARE PP-MLD A+; Stable
7	Market Linked Debentures	CARE PP-MLD A+; Stable
8	Subordinated Bond	CARE A+; Stable
9	Market Linked Debentures	CARE PP-MLD A+; Stable
10	Subordinated debt programme	[ICRA]A (Stable)

H. OTHER DISCLOSURES:

a. There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in Notes to Financial Statements of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at www.mas.co.in.

b. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years except in one instance where Company has made delay in furnishing prior intimation under Regulation 29(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 to the stock exchange(s) about agenda of recommendation of interim dividend and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority except in one instance mentioned above however the Company has paid the necessary fines with the Stock Exchange(s) for the said non-compliance.

c. The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman

of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.mas.co.in.

d. The Company has complied with all mandatory requirements laid down by the Regulation 27 of the Listing Regulations. The non-mandatory requirements complied with wherever requires and the same has been disclosed at the relevant places.

e. The Company has one Subsidiary Company and therefore, the Company has adopted Policy for determining Material Subsidiary which is uploaded on the website of the Company at www.mas.co.in.

f. The Company has adopted Related Party Transactions Policy which is uploaded on the website of the Company at www.mas.co.in.

g. Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

h. Company has not raised funds through preferential allotment or qualified institutions placement therefore details regarding utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) is Not Applicable to the Company, Except for the issuance of NCDs on a private placement basis.

i. The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2022 in compliance with Regulation 17(8) of Listing Regulations. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of Listing Regulations.

j. A qualified Practicing Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

k. We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

l. There were no circumstances where board had no accepted any recommendation of any committee of the board during the year.

m. Total fees paid for the services to the statutory auditors is ₹ 50.43 Lakhs for the financial year 2021-22.

Particulars	Amount in ₹ Lakhs
Statutory audit	18.07
Limited review of quarterly results	23.81
Other Services	6.59
Reimbursements of expenses	1.96
Total	**50.43**

n. As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted a Special Complaints Committee. During the year 2021-22, no complaints were received by the Committee.

o. disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Not Applicable

p. The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

q. The Company has also adopted Material Events Policy, and Policy on Preservation of Documents which is uploaded on the website of the Company at www.mas.co.in.

r. Details of the familiarization programme of the independent directors are available on the website of the company at www.mas.co.in.

s. With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading www.mas.co.in.

t. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

u. The Company has executed the Listing Agreement with the BSE Ltd. and the National Stock Exchange of India pursuant to Listing Regulations.

v. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking appointment/re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the 27th AGM to be held on August 24, 2022.

w. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

x. The Company does not have any demat suspense account/unclaimed suspense account and therefore, the details pertaining the same are not given.

y. There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

aa. There are no promoter's shares in Lock-in.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
MAS **Financial Services Limited**
6, Narayan Chambers Ground Floor
B/H Patang Hotel, Ashram Road,
Ahmedabad – 380 009.

Due to the current COVID pandemic situation we have examined online the relevant registers, records, forms, returns and disclosures received from the Directors of MAS Financial Services Limited having CIN L65910GJ1995PLC026064 and having registered office at 6, Narayan Chambers Ground Floor, B/H Patang Hotel, Ashram Road, Ahmedabad – 380 009. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Kamlesh Chimanlal Gandhi	00044852	25/03/2010
2	Daksha Niranjan Shah	00376899	14/03/2019
3	Balabhaskaran	00393346	25/05/1995
4	Chetankumar Ramniklal Shah	02213542	06/06/2008
5	Darshana Saumil Pandya	07610402	23/09/2016
6	Umesh Rajanikant Shah	07685672	21/12/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ravi Kapoor & Associates**

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
CP No. 2407
UDIN: F002587D000573619

Date: July 06, 2022
Place: Ahmedabad

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Darshana Pandya, Director & Chief Executive Officer and Ankit Jain, Chief Financial Officer of MAS FINANCIAL SERVICES LIMITED certify that:

We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2022 and to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations, however the Company started Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront gain and its details are as mentioned in Note no. 32 of the Standalone Financial Statements of the Company.

iii. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's Code of Conduct.

iv. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

v. We further certify that we have indicated to the auditors and the Audit Committee:

   a. There have been no significant changes in internal control over financial reporting system during the year;

   b. There have been no significant changes in accounting policies during the year except for the changes disclosed in the notes to the financial statements, if any; and

   c. There have been no instances of significant fraud, of which we have become aware, involving management or any employee having a significant role in the Company's internal control system over financial reporting.

Darshana S. Pandya
Director & Chief Executive Officer
(DIN: 07610402)

Ankit Jain
Chief Financial Officer

Date: July 06, 2022
Place: Ahmedabad

DECLARATION

I, Darshana Pandya, Director & Chief Executive Officer of MAS Financial Services Limited hereby declare that as of March 31, 2022 all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For and on behalf of the Board of Directors of

MAS Financial Services Limited

Darshana Pandya
Director & Chief Executive Officer
(DIN: 07610402)

Date: July 06, 2022
Place: Ahmedabad

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
MAS **Financial Services Limited**

We have examined the Compliance Conditions of Corporate Governance by MAS **FINANCIAL SERVICES LIMITED** for the year ended on 31st March, 2022 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2021 to 31st March, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ravi Kapoor & Associates**

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
CP No. 2407
UDIN: F002587D000573663

Place: Ahmedabad
Date : July 06, 2022

Annexure - J

Disclosures pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 last updated June 14, 2022 ("said Master Direction").

- **RELATED PARTY TRANSACTIONS**

  (Pursuant to clause 4.3 of Annex XIV of the said Master Direction)

  (1) Details of all material transaction with related parties are disclosed at Note No. 36 to the Standalone Financial Statements and Note No. 36 to the Consolidated Financial Statements;

  (2) The web-link for the policy on dealing with the Related Party Transactions is https://mas.co.in/policy.aspx

Annexure - K

BUSINESS RESPONSIBILITY REPORT FOR THE FY 2021-22

(In pursuant to Regulation 34(2)(f)) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION – A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L65910GJ1995PLC026064	
2.	Name of the Company	:	MAS Financial Services Limited	
3.	Registered address	:	B/h Patang Hotel, Ashram RoadAhmedabad – 380009.	
4.	Website	:	www.mas.co.in	
5.	E-mail id	:	riddhi_bhayani@mas.co.in	
6.	Financial Year reported	:	2021-22	
7.	Sector(s) that the Company is engaged in	:	Description of the main products/ services	NIC code for the product or service
			Other financial service activities, except Insurance and pension funding activities, n.e.c	64990

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

   The Company was established in 1995 and we have a long track record of more than two decades in providing finance to the MSME, loan to purchase Two-Wheelers and Commercial vehicle in India.

9. Total number of locations where business activity is undertaken by the Company:

   (a) Number of International Locations (Provide details of major 5): NIL

   (b) Number of National Locations: The Company operates in 6 states and NCT Delhi through its 125 branches.

10. Markets served by the Company – PAN India

SECTION B: FINANCIAL DETAILS OF THE COMPANY (AS ON MARCH 31, 2022)

1. Paid up Capital (₹ in Lakh) : ₹ 5,466.20

2. Total Turnover (₹ in Lakh) : ₹ 65,745.05

3. Total profit after taxes (₹ in Lakh) : ₹ 15,782.64

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

   The Company's total spending on CSR is ₹ 42,00,096/- approx. 0.19% of the average profit after taxes in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred:-

   A. Health

   B. Education

   C. Social welfare

   For more details please refer Annexure – E of Annual Report.

SECTION C: OTHER DETAILS

1) Does the Company have any Subsidiary Company/ Companies?
   - Yes, The Company has 1 Subsidiary i.e. MAS Rural Housing & Mortgage Finance Limited.

2) Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
   - Business Responsibility initiatives of the Parent Company are generally followed by the Subsidiary Company i.e. MAS Rural Housing & Mortgage Finance Limited to the extent possible.

3) Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
   - No.

SECTION D: BR INFORMATION

(1) Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

Sr. No.	DIN	Name	Designation
1	00044852	Mr. Kamlesh Chimanlal Gandhi	Chairman & Managing Director
2	07610402	Mrs. Darshana Saumil Pandya	Director & CEO

b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	--
2	Name	Ms. Riddhi Bhaveshbhai Bhayani
3	Designation	Company Secretary & Compliance Officer
4	Telephone number	(079)-41106638
5	e-mail id	riddhi_bhayani@mas.co.in

(2) Principle-wise (as per NVGs) BR Policy/policies:

The Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs).

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) **Details of compliance (Reply in Y/N)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for...	Y	N	Y	Y	Y	N	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
3	Does the policy conform to any national/ international standards?	Y	-	Y	Y	Y	-	-	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	Y	-	-	Y	Y
5	Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	-	-	Y	Y
6	Indicate the link for the policy to be viewed online?	#	-	#	#	#	-	-	#	#
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	-	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	-	Y	Y	Y	-	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	Y	-	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	-	N	N	N	-	-	N	N

a) **Details of compliance (Reply in Y/N)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (for compliance mentioned at point no. 1)	-	*	-	-	-	*	*	-	-
7	Any other reason (for compliance mentioned at point no. 10)	@	-	@	@	@	-	-	@	@

#https://www.mas.co.in/policy.html

*Considering the nature of company's business, these Principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

@Considering the nature of company's business, these Principles have limited applicability. The Company complies with Regulations governing its operations and has taken initiatives to promote inclusive growth and environmental sustainability.

(3) Governance related to BR

A. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

- The Board of Directors / its Committees / Chairman or any authorised officials of the Company, as the case may be, assesses the BR Performance on an Annual basis.

B. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- Company's Annual Report includes Business Responsibility Report. The copy of the same is available on the website of the Company www.mas.co.in.It is published annually.

SECTION E: PRINCIPLE -WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?
   - Yes, The Company has defined a Code of Conduct to deter wrong doings and to promote ethical practices. Yes, the Code extends to all dealings with suppliers, customers and other business partners.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
   - The Company encourages all its stakeholders to freely share their concerns and grievances. The Company has received 37 complaints from various stakeholders during FY 2021-22, out of which all the complaints were promptly resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
   - Not Applicable

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
   - The Company operates in financial services sector, therefore this aspect doesn't relate to the nature of its business. However, the Company extensively monitors its energy consumption.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
   - Though the Company is in Financial Service Sector, therefore this aspect doesn't relate to the nature of its business.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   - Not Applicable

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
   - Not Applicable

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees: 946
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 716
3. Please indicate the Number of permanent women employees: 67
4. Please indicate the Number of permanent employees with disabilities: 01
5. Do you have an employee association that is recognized by management: No
6. What percentage of your permanent employees is members of this recognized employee association? N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

The Company prohibits discrimination on the basis of race, caste, religion, colour, parentage, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability, harassment, whether sexual, verbal, physical or psychological against any employee. In order to prevent any kind of discrimination the Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder. The Company forbids child labour and did not receive any complaints relating to child labour, forced labour or involuntary labour and there were no instants of Sexual harassment in FY 2021-22.

No.	Category	No of complaints filed during the financial year (2021-22)	No of complaints pending as on end of the financial year (2021-22)
1	Child labour /forced labour /involuntary labour		
2	Sexual harassment		NIL
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees
   (b) Permanent Women Employees
   (c) Casual/Temporary/Contractual Employees
   (d) Employees with Disabilities

Your Company has established in-house systems in place to inculcate high performance culture in the organization. We periodically organize the training programmes for upgrading functional and soft skills of employees. We provide Induction training to all the employees of the Company and on regular intervals various other training is organized to update the knowledge.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

   No

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Not Applicable

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Not Applicable

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?
   - It is our constant endeavor to uphold human rights of all our stakeholders as manifested in the Constitution of India. Our Company values integrity of all regulations and ensures compliance with all applicable laws in this regard. This is covered under our Policies on Business Responsibility Report which is available on the website of the Company www.mas.co.in.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   - No material concern related to violation of fundamental human rights of individuals was received during the financial year.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.
   - Not Applicable

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Yes/No. If yes, please give hyperlink for webpage etc.
   - Not Applicable

3. Does the company identify and assess potential environmental risks? Yes/No
   - Not Applicable

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
   - Not Applicable

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Yes/No. If yes, please give hyperlink for web page etc.
   - No such initiatives carried out in the financial year 2021-22.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
   - Not Applicable

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
   - Not Applicable

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   We are members of following:

   - Finance Industry Development Council (FIDC)
   - Gujarat Finance Companies Association (GFCA)
   - Fintech Association for Consumer Empowerment (FACE)
   - The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

   Through these industry associations we actively engage in policy advocacy and proactively contribute to the discussions and resolutions on various industry issues within the scope of the above-mentioned associations.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
   - Yes. Representations had been submitted to the Government and regulatory authorities on various matters for the improvement of Public good.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
   - Yes, Please refer to Annual Report on CSR Activities Annexure.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?
   - Yes, various programmes have been carried out by the Company.

3. Have you done any impact assessment of your initiative?
   - The Company has a process for doing the impact assessment for its key CSR interventions by engaging Employees of the company on the regular basis.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
   - Amount spent ₹ 42,00,096/- Please refer to Annual Report on CSR Activities Annexure for more details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   - Your Company's CSR initiatives are aligned to the mission of transforming rural lives and driving a positive change in the communities. The Company actively implements projects and initiatives in the areas of health, education, employment & livelihood generation, rural development, community welfare. We strongly believe in giving back to the society and this is the guiding principle around which all the Corporate Social Responsibility (CSR) activities are undertaken. Please refer to Annual Report on CSR Activities Annexure for more details.
   - It is Company's continuous endeavor to increase its CSR impact and spend over the coming years, supplemented by its continued focus towards rural development, promoting health, education and sanitation.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
   - Only 19 Customer complaints/consumer cases are pending as on the March 31, 2022.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)
   - Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
   - No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?
   - NA

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone financial statements of MAS Financial Services Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of cash flows and the standalone Statement of changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone 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 Standalone 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 Standalone 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 opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** **Charge: INR 97.73 Lakhs for the year ended 31st March, 2022** **Provision: INR 10,019.62 as at 31st March, 2022** Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

Sr. No.	Key Audit Matter	Auditor's Response
	• Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 38% of ECL balances as at 31 March 2022. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2	**Information Technology** **IT Systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included:

Sr. No.	Key Audit Matter	Auditor's Response
	IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	• Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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.

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept, so far as it appears from our examination of those books.

c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2022 on its financial position in its Standalone financial statements.

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

iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, 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, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

v. As stated in Note no. 21.2 of the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Companies Act, 2013.

(c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Companies Act, 2013.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHLC4714

Place: Ahmedabad
Date: May 4, 2022

"Annexure A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us, we report that:

1. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   B. The Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a program of physical verification of its Property, Plant and Equipment so as to cover all the items of Property, Plant and Equipment in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of the immovable properties taken on lease and disclosed under "Right of use asset" in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.

   (d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

   (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Refer Note 47 to the standalone financial statements.

2. (a) The Company is a non-banking finance company ('NBFC') and does not hold any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

   (b) During the year, the company has availed sanctioned working capital limit in excess of ₹ 5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the Company with the said bank are materially in agreement with the books of accounts maintained by the Company.

3. (a) Since the Company's principal business is to give loans. Accordingly, the reporting under clause 3(iii)(a) of the Order is not applicable to it.

   (b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

   (c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers 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 8.1 to the Standalone Financial Statements for summarised details of such loans/ advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

   (d) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, 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 90 days. 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 8.1 to the Standalone Financial Statements for summarised details of such loans/advances which are not

repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the reporting under clause 3(iii)(e) of the Order are not applicable to it.

(f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4. According to the information and explanations given to us and on the basis of examination of the records, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of Section 185 of the Act and has complied with the applicable provisions of Section 186 (1) of the Act.

5. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

7. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues.

(b) There were no material undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2022 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ in Lakhs]	Period to which the amount relates	Forum where dispute is pending
1	Income tax Act, 1961	Income Tax	768.57	AY 2013-2014	Assistant Commissioner of Income Tax
		DDT	37.06		
		Income Tax	39.10	AY 2018-2019	Assistant Commissioner of Income Tax
		DDT	234.23		

The above demands are on account of non-adjustment of taxes paid as TDS, Advance Tax, DDT and Self-Assessment Taxes. Hence, the same is not shown as contingent liabilities in the Standalone Financial Statements.

8. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9. According to the information and explanations given to us and on the basis of our examination of the books of account, we report that

(a) The Company has not defaulted in repayment of loans or borrowings or interest thereon from any financial institution, banks, government or due to debenture holders during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has utilised the money obtained by way of term loans from banks and other financial institutions during the year for the purposes for which they were obtained. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilisation.

(d) The funds raised on short term basis have not been utilized for the long-term purpose.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary company.

10. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) 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, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

    (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

    (c) According to the information and explanations given by management/Audit Committee, there were no whistle blower complaints received by the Company during the year.

12. The Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is in compliance with section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

14. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

    (b) We have considered, during the course of our audit, the reports of the internal auditor issued till date for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the Company.

16. According to the information and explanations given to us and based on the examination of the records of the Company, we report that

    (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

    (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

    (c) The Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

    (d) As per information provided in course of our audit, the group to which the Company belongs does not have CIC.

17. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

18. During the year, M/s B S R & Co LLP, the erstwhile statutory auditors of the Company have resigned with effect from 25 August, 2021 consequent to the amended rules/regulations applicable to the Company. (i.e. vide RBI circular dated April 27, 2021). As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.

19. 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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.

20. (a) According to the information and explanations given to us, there are no unspent amount in respect of other than ongoing projects that are required to be transferred to a fund specified in Schedule VII to the Act.

    (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report in compliance with provision of sub section (6) of section 135 of the Act. Relevant disclosures are made in Note 34 (c) of the Standalone financial statement of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHLC4714

Place: Ahmedabad
Date: May 4, 2022

"Annexure B" to The Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAS Financial Service Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Reg. No. : 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHLC4714

Place: Ahmedabad
Date: May 4, 2022

Standalone Balance Sheet

as at 31 March 2022

(₹ in Lakhs)

	Note no.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	27,349.84	96,505.14
Bank balance other than cash and cash equivalents	6	55,730.50	3,180.75
Trade receivables	7	100.41	221.45
Loans	8	4,55,380.20	3,80,513.40
Investments	9	53,806.02	23,503.36
Other financial assets	10	5,261.72	4,764.84
Total financial assets		**5,97,628.69**	**5,08,688.94**
Non-financial assets			
Income tax assets (net)	30	623.33	592.40
Deferred tax assets (net)	30	2,359.93	2,116.67
Property, plant and equipment	11(a)	1,239.03	1,081.27
Capital work-in-progress	11(c)	5,204.39	5,002.73
Right-of-use asset	11(d)	53.50	37.70
Intangible assets under development	11(e)	3.57	-
Other intangible assets	11(b)	22.00	8.76
Other non-financial assets	12	367.15	231.26
Total non-financial assets		**9,872.90**	**9,070.79**
Total assets		**6,07,501.59**	**5,17,759.73**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,411.85	655.98
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		155.43	100.92
Debt securities	14	36,203.05	31,411.52
Borrowings (other than debt securities)	15	3,73,272.79	2,91,975.30
Subordinated liabilities	16	13,721.55	5,996.55
Other financial liabilities	17	45,759.43	63,253.56
Total financial liabilities		**4,70,524.10**	**3,93,393.83**
Non-financial liabilities			
Current tax liabilities (net)	30	225.13	1,176.84
Provisions	18	715.79	396.38
Other non-financial liabilities	19	5,190.70	5,535.81
Total non-financial liabilities		**6,131.62**	**7,109.03**
Total liabilities		**4,76,655.72**	**4,00,502.86**
EQUITY			
Equity share capital	20	5,466.20	5,466.20
Other equity	21	1,25,379.67	1,11,790.67
Total equity		**1,30,845.87**	**1,17,256.87**
Total liabilities and equity		**6,07,501.59**	**5,17,759.73**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in Lakhs)

		Note no.	Year ended 31 March 2022	Year ended 31 March 2021
I.	**Revenue from operations**			
	Interest income	22	56,948.31	48,413.64
	Gain on assignment of financial assets (Refer note 32)		6,423.92	9,047.61
	Fees and commission income		1,723.12	1,807.14
	Net gain on fair value changes	23	499.12	56.32
	Total revenue from operations		**65,594.47**	**59,324.71**
	Other income	24	150.58	64.19
	Total income		**65,745.05**	**59,388.90**
II.	**Expenses**			
	Finance costs	25	31,953.79	26,449.08
	Fees and commission expense		2,309.41	624.36
	Impairment on financial assets	26	3,409.66	7,840.04
	Employee benefits expenses	27	4,223.02	2,972.89
	Depreciation, amortization and impairment	28	177.61	212.98
	Others expenses	29	2,504.76	2,000.26
	Total expenses		**44,578.25**	**40,099.61**
	Profit before exceptional items and tax (I - II)		21,166.80	19,289.29
	Exceptional items		-	-
III.	**Profit before tax**		**21,166.80**	**19,289.29**
IV.	**Tax expense:**			
	Current tax	30	5,423.01	5,809.77
	Short / (Excess) provision for tax relating to prior years	30	(50.36)	-
	Net current tax expense		**5,372.65**	**5,809.77**
	Deferred tax expense / (credit)	30	11.51	(870.78)
	Net tax expense		**5,384.16**	4,938.99
V.	**Profit for the year (III - IV)**		**15,782.64**	14,350.30
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		(11.10)	67.01
	Income tax impact on above		2.79	(16.87)
	Total (A)		**(8.31)**	**50.14**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(1,001.19)	936.29
	Income tax impact on above		251.98	(235.65)
	Total (B)		**(749.21)**	**700.64**
	Other comprehensive income (A+B)		**(757.52)**	**750.78**
VII.	**Total comprehensive income for the year (V + VI)**		**15,025.12**	**15,101.08**
VIII.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		28.87	26.25
	Diluted (₹)		28.87	26.25

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
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Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
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Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2020	5,466.20
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2020	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2021	**5,466.20**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2021	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**5,466.20**

(B) OTHER EQUITY

(₹ in Lakhs)

	Reserves and surplus			Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 1 April 2020	**14,522.01**	**42,687.43**	**28,104.57**	**(0.22)**	**7,310.40**	**92,624.19**
Profit for the year	-	-	14,350.30	-	-	14,350.30
Re-measurement of defined benefit plans (net of taxes)	-	-	50.15	-	-	50.15
Other comprehensive income (net of taxes)	-	-	-	-	4,766.03	4,766.03
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	2,870.06	-	(2,870.06)	-	-	-
Balance at 31 March 2021	**17,392.07**	**42,687.43**	**39,634.96**	**(0.22)**	**12,076.43**	**1,11,790.67**
Profit for the year	-	-	15,782.64	-	-	15,782.64
Re-measurement of defined benefit plans (net of taxes)	-	-	(8.30)	-	-	(8.30)
Other comprehensive income (net of taxes)	-	-	-	-	(682.13)	(682.13)
Final dividend on equity shares	-	-	(819.93)	-	-	(819.93)
Interim dividend on equity shares	-	-	(683.28)	-	-	(683.28)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	3,156.53	-	(3,156.53)	-	-	-
Balance at 31 March 2022	**20,548.60**	**42,687.43**	**50,749.56**	**(0.22)**	**11,394.30**	**1,25,379.67**

In terms of our report of even date attached
For Mukesh M Shah & Co.
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(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Standalone Statement of Cash Flows

for the year ended 31 March 2022

(₹ in Lakhs)

		Year ended 31 March 2022		Year ended 31 March 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		21,166.80		19,289.29
	Adjustments for :				
	Depreciation and amortisation	177.61		212.98	
	Finance cost	31,953.80		26,449.08	
	Impairment on financial assets	3,409.66		7,840.05	
	(Profit) / loss on sale of property, plant and equipment	-		1.16	
	Interest income	(56,948.31)		(48,413.64)	
	Net gain on fair value changes	(312.10)		(26.42)	
	Net gain on sale of investments measured at amortized cost	(23.28)		-	
	Financial guarantee commission income	(1.22)		(2.51)	
	Dividend income	(66.08)		(39.19)	
	Gain on derecognition of leased assets	(0.07)		(2.81)	
			(21,809.99)		(13,981.30)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(643.19)**		**5,307.99**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(78,030.72)		(51,072.23)	
	Trade receivables	121.03		(221.45)	
	Advances received against loan agreements	800.50		(10,022.97)	
	Bank balance other than cash and cash equivalents	(55.16)		32.91	
	Other financial asset	(468.89)		(361.34)	
	Other non-financial asset	(391.07)		(281.12)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payable and other payable	810.42		3.80	
	Other financial liabilities	(17,890.55)		(17,553.17)	
	Other non-financial liabilities	(343.90)		(4,049.52)	
	Provisions (also refer note 34)	319.41	(95,128.93)	350.73	(83,174.36)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(95,772.12)**		**(77,866.37)**
	Interest income received	51,950.50		51,709.17	
	Dividend received	66.08		39.19	
	Interest income on Investment measured at amortised cost	1,586.06		42.02	
	Finance cost paid	(33,559.49)	20,043.15	(26,452.15)	25,338.23
			(75,728.97)		**(52,528.14)**
	Income tax paid (net)		(6,355.29)		(5,003.96)
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(82,084.26)**		**(57,532.10)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(521.81)		(201.35)	
	Proceeds from sale of property, plant and equipments and intangible assets	-		0.10	
	Change in Earmarked balances with banks and other free deposit	(52,494.60)		(3,023.12)	
	Interest income from bank deposits	2,391.36		2,913.80	
	Purchase of investments	(1,19,210.98)		(22,851.84)	
	Redemption of investments	89,281.53		3,190.94	
	Net gain on sale of investments measured at amortized cost	23.28		-	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(80,531.22)**		**(19,971.47)**

Standalone Statement of Cash Flows (contd.)

for the year ended 31 March 2022

(₹ in Lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from debt securities and borrowings	1,94,922.41	1,22,900.00
	Repayments of debt securities and borrowings	(1,04,876.91)	(74,114.40)
	Net increase in working capital borrowings	4,960.02	22,826.23
	Repayment of lease liabilities	(42.13)	(81.24)
	Dividends paid	(1,503.21)	-
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**93,460.18**	**71,530.59**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(69,155.30)**	**(5,972.98)**
	Cash and cash equivalents at the beginning of the year	96,505.14	1,02,478.12
	Cash and cash equivalents at the end of the year (refer note 1 below)	**27,349.84**	**96,505.14**

Notes:

(₹ in Lakhs)

		As at 31 March 2022	As at 31 March 2021
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	10.08	5.75
	(b) Balances with banks	23,643.28	48,975.82
	Total	**23,653.36**	**48,981.57**
	(c) Bank deposits with original maturity of 3 months or less	3,696.48	47,523.57
	Cash and cash equivalents as per the balance sheet	**27,349.84**	96,505.14

2 The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 The Company as at 31 March 2022 has undrawn borrowing facilities amounting to ₹ 1,68,020.24 lakhs that may be available for future operating activities and to settle capital commitments.

4 Change in liabilities arising from financing activities

(₹ in Lakhs)

	31 March 2021	Cash flows	Non-cash changes*	31 March 2022
Debt securities	31,411.52	5,000.00	(208.47)	36,203.05
Borrowings (other than debt securities)	2,91,975.30	82,005.53	(708.04)	3,73,272.79
Subordinated liabilities	5,996.55	8,000.00	(275.00)	13,721.55
Total liabilities from financing activities	**3,29,383.37**	**95,005.53**	**(1,191.51)**	**4,23,197.39**

	1 April 2020	Cash flows	Non-cash changes*	31 March 2021
Debt securities	-	31,500.00	(88.48)	31,411.52
Borrowings (other than debt securities)	2,52,021.34	40,111.83	(157.87)	2,91,975.30
Subordinated liabilities	5,989.18	-	(7.37)	5,996.55
Total liabilities from financing activities	**2,58,010.52**	**71,611.83**	**(238.98)**	**3,29,383.37**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

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Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022

1. CORPORATE INFORMATION

MAS Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a systematically important non deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Enterprise loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Commercial Vehicle loans ("CV") and loans to NBFCs - to create the underlying assets of MEL, SME, TW and CV. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad-380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows.

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). Amounts in the standalone financial statements are presented in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Estimation of uncertainties relating to the global health pandemic from novel coronavirus 2019 ("COVID 19"):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the accounting estimates. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of standalone financial statements.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

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

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

e) Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.17.

v) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

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

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 40.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), transaction costs are added to or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

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'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) ***Financial assets carried at amortised cost***

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

ii) ***Financial assets measured at FVOCI***

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

iii) ***Financial assets at FVTPL***

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

iv) ***Equity investment in subsidiaries***

The Company has accounted for its equity investments in subsidiaries at cost.

B. Financial liability

i) ***Initial recognition and measurement***

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) ***Subsequent measurement***

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

3.4 Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Company changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) ***Financial assets***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-

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financial liabilities and amortized in the profit or loss over the underlying residual tenure of the assigned portfolio. Refer note 32 for details.

Further, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset, if any.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis for retail loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

For retail loans

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the

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reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding) % LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

The Company calculates PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EADs are reviewed. While at every year end, LGDs and PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments When estimating ECL for undrawn loan commitments, the Company estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Company monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk.

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Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Company has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

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

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

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.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipments - 3 to 10 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

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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.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end

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of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.16 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only

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by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.18 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.19 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

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3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.21 Repossessed asset

In the normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.22 Security deposit

The security deposits received by the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Company uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Cash on hand	10.08	5.75
Balances with banks:		
In current / cash credit accounts (refer note 1 below)	23,643.28	48,975.82
Bank deposits with original maturity of 3 months or less (refer note 2 below)	3,696.48	47,523.57
Total cash and cash equivalents	**27,349.84**	**96,505.14**

Notes:

1. Balance amounting to ₹ 292.04 lakh represents balance with banks in earmarked account i.e. "unspent CSR account".
2. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
In current accounts (refer note 1 below)	8.42	14.47
Earmarked balances with banks:		
Unclaimed dividend bank balances (refer note 2 below)	63.03	1.83
In fixed deposit accounts:		
Deposits given as security against borrowings and other commitments	2,745.76	2,163.09
Bank deposits with original maturity of more than 3 months (refer note 3 below)	52,913.29	1,001.36
Total bank balance other than cash and cash equivalents	**55,730.50**	**3,180.75**

Notes:

1. Balance represents balance with banks in earmarked account i.e. "collection and pay-out account".
2. Balance amounting to ₹ 61.07 lakh was transferred to lien free "current account" after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility as at 31 March 2022.

7. TRADE RECEIVABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	100.41	221.45
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total trade receivables	**100.41**	**221.45**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous year: ₹ Nil).
2. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	10.50	46.41	43.50	-	-	100.41
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2021

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	221.45	-	-	-	-	221.45
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8. LOANS

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(A) (I) Bills Purchased and Bills Discounted	4,088.81	-	4,088.81	-	-	-
(II) Term loans	-	4,51,322.09	4,51,322.09	-	3,80,513.40	3,80,513.40
Total (A)-Gross	**4,088.81**	**4,51,322.09**	**4,55,410.90**	**-**	**3,80,513.40**	**3,80,513.40**
Less: Impairment loss allowance	(30.70)	-	(30.70)	-	-	-
Total (A)-Net	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**
(B) (i) Secured by tangible assets	4,088.81	3,28,091.19	3,32,180.00	-	2,73,025.03	2,73,025.03
(ii) Unsecured	-	1,23,230.90	1,23,230.90	-	1,07,488.37	1,07,488.37
Total (B)-Gross	**4,088.81**	**4,51,322.09**	**4,55,410.90**	**-**	**3,80,513.40**	**3,80,513.40**
Less: Impairment loss allowance	(30.70)	-	(30.70)	-	-	-
Total (B)-Net	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(C) (I) Loans in India						
(i) Public sector	-	-	-	-	-	-
(ii) Private sector	4,088.81	4,51,322.09	4,55,410.90	-	3,80,513.40	3,80,513.40
Total (C)-Gross	**4,088.81**	**4,51,322.09**	**4,55,410.90**	**-**	**3,80,513.40**	**3,80,513.40**
Less: Impairment loss allowance	(30.70)	-	(30.70)	-	-	-
Total (C) (I) -Net	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total C(I) and C(II)	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 31 March 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

Notes:

1. Refer note 36(b) for loans to Companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

8.1 An analysis of changes in the gross carrying amount of loans is given below*

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**3,70,475.42**	**7,926.39**	**6,442.50**	**3,84,844.31**	**3,27,645.11**	**8,635.22**	**6,291.85**	**3,42,572.18**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,66,113.52)	(2,184.75)	(2,324.88)	(2,70,623.15)	(2,03,604.32)	(2,094.78)	(386.88)	(2,06,085.98)
New assets originated (net of repayment)**	3,44,444.41	2,267.15	1,782.55	3,48,494.11	2,50,778.16	872.53	128.08	2,51,778.77
Transfers from Stage 1	(8,771.34)	3,572.18	5,199.16	-	(7,344.64)	6,030.86	1,313.78	-
Transfers from Stage 2	99.25	(2,525.68)	2,426.43	-	4,547.83	(5,517.06)	969.23	-
Transfers from Stage 3	28.21	0.00	(28.21)	-	29.62	0.63	(30.25)	-
Amounts written off	(0.20)	(2.29)	(3,008.15)	(3,010.64)	(1,576.34)	(1.01)	(1,843.31)	(3,420.66)
Gross carrying amount closing balance	**4,40,162.23**	**9,053.00**	**10,489.40**	**4,59,704.63**	**3,70,475.42**	**7,926.39**	**6,442.50**	**3,84,844.31**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Company had not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Company has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Company had continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**5,839.79**	**1,594.45**	**2,487.60**	**9,921.84**	**2,212.87**	**1,738.22**	**1,905.35**	**5,856.44**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,187.11)	(246.75)	(150.19)	(2,584.05)	1,375.42	(1,060.80)	287.50	602.12
New assets originated (net of repayment)	3,387.56	209.86	926.75	4,524.17	3,719.62	274.43	47.97	4,042.02
Transfers from Stage 1	(2,521.53)	518.45	2,003.08	-	(1,668.10)	1,137.83	530.27	-
Transfers from Stage 2	1.92	(1,039.67)	1,037.76	-	208.07	(472.12)	264.05	-
Transfers from Stage 3	0.24	-	(0.24)	-	0.64	-	(0.64)	-
Amounts written off	(0.47)	(6.91)	(1,834.96)	(1,842.34)	(8.73)	(23.11)	(546.90)	(578.74)
ECL allowance - closing balance	**4,520.39**	**1,029.43**	**4,469.79**	**10,019.62**	**5,839.79**	**1,594.45**	**2,487.60**	**9,921.84**

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 3,010.64 lakh at 31 March 2022 (31 March 2021 : ₹ 3,420.66 lakh).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated impact of COVID-19 pandemic. The extent to which COVID-19 pandemic will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor in the potential impact of COVID-19 on impairment allowances. For further details, refer note 44.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Company's internal grades and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 44.1.

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grades								
Performing								
High quality assets	4,40,162.23	-	-	4,40,162.23	3,70,475.42	-	-	3,70,475.42
Quality assets	-	4,583.18	-	4,583.18	-	3,936.84	-	3,936.84
Standard assets	-	4,469.82	-	4,469.82	-	3,989.55	-	3,989.55
Non- performing								
Sub standard assets	-	-	5,087.51	5,087.51	-	-	2,648.01	2,648.01
Low quality assets	-	-	5,401.89	5,401.89	-	-	3,794.49	3,794.49
Total	**4,40,162.23**	**9,053.00**	**10,489.40**	**4,59,704.63**	**3,70,475.42**	**7,926.39**	**6,442.50**	**3,84,844.31**

9. INVESTMENTS

(₹ In Lakhs)

	As at 31 March 2022				As at 31 March 2021			
	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total
Investments in								
Alternative investment funds	-	3,558.71	-	3,558.71	-	2,029.90	-	2,029.90
Pass through certificates under securitization transactions	14,125.55	-	-	14,125.55	6,564.03	-	-	6,564.03
Market linked debentures	-	26,296.65	-	26,296.65	-	11,566.97	-	11,566.97
Non - convertible debentures	4,931.71	-	-	4,931.71	-	-	-	-
Mutual fund units	-	463.25	-	463.25	-	-	-	-
Subsidiary #	-	2,264.53	2,220.83	4,485.36	-	1,124.15	2,220.83	3,344.98
Total – Gross (A)	**19,057.26**	**32,583.14**	**2,220.83**	**53,861.23**	**6,564.03**	**14,721.02**	**2,220.83**	**23,505.88**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	19,057.26	32,583.14	2,220.83	53,861.23	6,564.03	14,721.02	2,220.83	23,505.88
Total (B)	**19,057.26**	**32,583.14**	**2,220.83**	**53,861.23**	**6,564.03**	**14,721.02**	**2,220.83**	**23,505.88**
Less: Allowance for Impairment Loss (C)	(55.21)	-	-	(55.21)	(2.52)	-	-	(2.52)
Total – Net D= (A)-(C)	**19,002.05**	**32,583.14**	**2,220.83**	**53,806.02**	**6,561.51**	**14,721.02**	**2,220.83**	**23,503.36**

 # Investment in subsidiary

(₹ In Lakhs)

	31 March 2022	31 March 2021
Investment in equity shares of subsidiary	1,975.00	1,975.00
Investment in debt component of optionally convertible preference shares of subsidiary	1,311.36	632.37
Deemed investment in optionally convertible preference shares of subsidiary	953.17	491.78
Investment in subsidiary on account of:		
Corporate financial guarantee given to bank on behalf of subsidiary	239.03	239.03
Issuance of equity shares to the employees of subsidiary at discount	6.80	6.80
Total	**4,485.36**	**3,344.98**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

10. OTHER FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Security deposits	86.85	69.11
Spread receivable on assigned portfolio	4,293.73	4,330.91
Interest accrued but not due on investments	67.37	2.20
Advances to dealer	813.77	-
Ex-gratia interest amount under GOI scheme (net of ECL)	-	362.62
Total other financial assets	**5,261.72**	**4,764.84**

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Lakhs)

Nature of assets	Property, plant and equipment (a)					Intangible assets (b)	
	Buildings	Office equipment	Furniture and fixtures	Vehicles	Total	Software	Total
Cost							
At 1 April 2020	**668.20**	**344.16**	**280.52**	**163.57**	**1,456.45**	**37.40**	**37.40**
Additions	-	16.79	-	-	16.79	3.13	3.13
Disposals	-	32.01	-	-	32.01	-	-
At 31 March 2021	**668.20**	**328.94**	**280.52**	**163.57**	**1,441.23**	**40.53**	**40.53**
Additions	-	115.84	54.67	122.59	293.10	18.97	18.97
Disposals	-	-	-	-	-	-	-
At 31 March 2022	**668.20**	**444.78**	**335.19**	**286.16**	**1,734.33**	**59.50**	**59.50**
Depreciation/Amortisation							
At 1 April 2020	**31.93**	**120.77**	**49.98**	**55.21**	**257.89**	**26.33**	**26.33**
Depreciation/amortization charge	11.44	67.33	28.68	25.37	132.82	5.44	5.44
Disposal	-	30.75	-	-	30.75	-	-
At 31 March 2021	**43.37**	**157.35**	**78.66**	**80.58**	**359.96**	**31.77**	**31.77**
Depreciation/amortization charge	11.44	64.77	29.22	29.91	135.34	5.73	5.73
Disposal	-	-	-	-	-	-	-
At 31 March 2022	**54.81**	**222.12**	**107.88**	**110.49**	**495.30**	**37.50**	**37.50**
Net block value:							
At 31 March 2021	624.83	171.59	201.86	82.99	1,081.27	8.76	8.76
At 31 March 2022	**613.39**	**222.66**	**227.31**	**175.67**	**1,239.03**	**22.00**	**22.00**

Note: No revaluation of any class of asset is carried out during the year.

(c) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 146.29 lakhs (31 March 2021: ₹ 181.39 lakhs). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.39%.

(₹ In Lakhs)

Capital work-in-progress	
At 1 April 2020	**4,821.34**
Additions	181.39
Disposals	-
At 31 March 2021	**5,002.73**
Additions	201.66
Disposals	-
At 31 March 2022	**5,204.39**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Capital work in progress aging schedule

(₹ In Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	201.67	181.39	256.92	4,564.42	5,204.39
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021					
Projects in progress	181.39	256.92	33.92	4,530.51	5,002.73
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Lakhs)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
MAS headquarters	-	-	-	5,193.56	5,193.56
As at 31 March 2021					
MAS headquarters	-	-	-	5,002.73	5,002.73

(d) Right-of-use asset

The details of the right-of-use asset held by the Company is as follows:

(₹ In Lakhs)

Office Premises	
At 1 April 2020	**220.70**
Additions	-
Disposals	24.69
At 31 March 2021	**196.01**
Additions	52.66
Disposals	0.58
At 31 March 2022	**248.09**
Depreciation	
At 1 April 2020	**92.26**
Additions	74.72
Disposals	8.67
At 31 March 2021	**158.31**
Additions	36.54
Disposals	0.26
At 31 March 2022	**194.59**
Net Block Value:	
At 31 March 2021	37.70
At 31 March 2022	**53.50**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(e) Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	
At 1 April 2020	**-**
Additions	-
Disposals	-
At 31 March 2021	**-**
Additions	3.57
Disposals	-
At 31 March 2022	**3.57**

Intangible assets under development aging schedule

(₹ In Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	3.57	-	-	-	**3.57**
Projects temporarily suspended	-	-	-	-	**-**

12. OTHER NON-FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	135.89	7.78
Advances to employees	13.63	16.04
Re-possessed assets	178.54	176.00
Capital advances	4.50	-
Other advances	34.59	31.44
Total	**367.15**	**231.26**

13. PAYABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,411.85	655.98
(b) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	155.43	100.92
Total	**1,567.28**	**756.90**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Trade Payables aging schedule

(₹ In Lakhs)

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	
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	1,209.38	178.73	22.46	1.28	1,411.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2021					
(i) MSME	-	-	-	-	-
(ii) Others	627.75	26.95	-	1.28	655.98
(iii) Disputed dues – MSME	.	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	-	-
- Interest on above	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

14. DEBT SECURITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Secured debentures (refer note 14.1)		
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
- 500, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	5,000.00
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
Market Linked debenture (refer note 14.1)	36,500.00	6,500.00
Less: Unamortised borrowing costs	(296.95)	(88.48)
Total	**36,203.05**	**31,411.52**
Debt securities in India	36,203.05	31,411.52
Debt securities outside India	-	-
Total	**36,203.05**	**31,411.52**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

14.1 Details of terms of redemption/repayment in respect of debt securities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Debentures				
1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
- 500, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	5,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	6,500.00	6,500.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years and 6 Months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**36,500.00**	**31,500.00**		

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Term loans (refer note 15.1)		
(i) from banks	1,83,086.33	1,10,752.20
(ii) from other parties (financial institutions)	34,810.56	35,102.40
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	25,586.65	34,324.47
(c) Short term loans from banks (Refer note below)	1,26,494.07	1,12,796.22
(d) Borrowing under securitisation	5,003.21	-
Less: Unamortised borrowing costs	(1,708.03)	(999.99)
Total	**3,73,272.79**	**2,91,975.30**
Secured	3,70,789.67	2,89,496.03
Unsecured	2,483.12	2,479.27
Total	**3,73,272.79**	**2,91,975.30**
Borrowings in India	3,73,272.79	2,91,975.30
Borrowings outside India	-	-
Total	**3,73,272.79**	**2,91,975.30**

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 2.90% p.a. to 11.00% p.a. as at 31 March 2022.

Interest rate ranges from 7.65% p.a. to 12.00% p.a. as at 31 March 2021.

The Company has not defaulted in repayment of borrowings and interest.

The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts of the Company.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 4,56,236.99 lakhs (31 March 2021: ₹ 3,82,579.83 lakhs).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)				
Term Loan - 1	1,600.00	2,400.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	9,166.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 3	-	0.58	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	6,399.17	8,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	13,500.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	20,000.00	-	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 7	3,500.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	9,497.65	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 9	5,454.57	7,500.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 10	5,000.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 11	-	626.39	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 12	-	778.57	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 13	1,580.56	1,914.10	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	728.91	1,958.22	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 15	269.20	522.58	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 16	1,076.79	2,090.32	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 17	448.66	870.97	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 18	500.00	750.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 19	2,000.00	3,000.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 20	833.33	1,250.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 21	583.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 22	2,333.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 23	972.22	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 24	687.54	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 25	2,750.14	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 26	1,145.89	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 27	-	208.33	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Company's book debts and loan installments receivables.
Term Loan - 28	2,666.67	4,000.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed.
Term Loan - 29	-	4,583.33	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Company.
Term Loan - 30	-	2,536.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 31	1,825.25	7,272.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 32	7,784.85	10,000.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	10,000.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	5,000.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	4,165.85	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	166.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	416.67	1,250.00	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 38	750.00	3,750.00	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 39	734.57	4,879.76	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	2,599.96	5,200.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 41	7,649.91	12,750.00	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	1,500.00	2,000.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	11,043.60	15,489.46	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	8,421.05	5,000.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	3.83	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 46	**28,500.00**	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Total term loans from banks	**1,83,086.33**	**1,10,752.20**		

Note (i):

Interest rate ranges from 8.00% p.a. to 9.20 % p.a. as at 31 March 2022.

Interest rate ranges from 8.00% p.a. to 10.75% p.a. as at 31 March 2021.

Term loans from others (Refer note ii)				
Term Loans from a Financial Institution - 1	-	1,053.62	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Company.
Term Loans from a Financial Institution - 2	-	1,705.72	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	500.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	1,666.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 5	763.89	1,597.22	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 6	1,983.33	3,116.67	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 7	1,066.67	1,600.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 8	2,500.00	2,500.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	4,166.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	1,300.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	8,330.00	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	62.50	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	16,000.00	20,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Total term loans from others	**34,810.56**	**35,102.40**		

Note (ii):

Interest rate ranges from 5.75% p.a. to 10.00 % p.a. as at 31 March 2022.

Interest rate ranges from 6.32% p.a. to 11.15% p.a. as at 31 March 2021.

Note: The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to ₹ 5,003.21 lakhs.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Unsecured debentures (refer note 16.1)		
- 400, 14.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	4,000.00	4,000.00
- 200, 13.50% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	2,000.00
- 50, 10.75% Redeemable, Non-Convertible Debentures of ₹ 100,00,000 each	5,000.00	-
- 500, 10.75% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	5,000.00	-
Less: Unamortised borrowing costs	(278.45)	(3.45)
Total	**13,721.55**	**5,996.55**
Subordinated liabilities in India	13,721.55	5,996.55
Subordinated liabilities outside India	-	-
Total	**13,721.55**	**5,996.55**

16.1 Details of terms of repayment in respect of subordinated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Subordinated liabilities				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	**4,000.00**	4,000.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	**-**	2,000.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	**5,000.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	**5,000.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
Total subordinated liabilities	**14,000.00**	**6,000.00**		

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

17. OTHER FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2,936.21	2,198.74
Interest accrued but not due on others	1,418.85	2,570.49
Dues to the assignees towards collections from assigned receivables	12,766.42	26,185.14
Security deposits received from borrowers	27,453.98	31,905.41
Advances received against loan agreements	800.50	-
Unpaid dividend on equity shares	1.96	1.83
Dealer advances	228.61	266.90
Lease liability	56.52	46.38
Provision for Interest on Interest waiver	-	78.67
Other payable	96.38	-
Total other financial liabilities	**45,759.43**	**63,253.56**

18. PROVISIONS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (Refer note 41)		
Compensated absences	17.05	7.07
Gratuity	7.83	5.10
Provision for unspent CSR liability	690.91	384.21
Total provisions	**715.79**	**396.38**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	130.93	236.55
Financial guarantee liability	1.60	2.82
Unearned income on assigned loans	4,293.73	4,330.91
Income received in advance	764.44	965.53
Total other non-financial liabilities	**5,190.70**	**5,535.81**

20. EQUITY SHARE CAPITAL

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Authorized shares:		
6,40,00,000 : Equity Shares of ₹ 10 each (As at 31 March 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	6,400.00	6,400.00
2,20,00,000 : 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
2,20,00,000: 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
400 : 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	400.00	400.00
	11,200.00	**11,200.00**
Issued, subscribed and fully paid-up shares:		
5,46,62,043 : Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	5,466.20	5,466.20
	5,466.20	**5,466.20**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

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

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20

20.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	63,04,508	11.53%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	27,52,094	5.03%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 Details of bonus shares issued during the five years immediately preceding the balance sheet date:

2,40,00,188 equity shares of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of general reserve and balance from the statement of profit and loss during the year ended 31 March 2017.

20.4 The Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.5 Terms / rights attached to 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 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 case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20.6 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	Shares held by promoters at 31 March 2022		Shares held by promoters at 31 March 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Equity shares					
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer above above)	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,04,508	11.53%	62,86,833	11.50%	0.28%
Prarthana Marketing Private Limited	13,12,557	2.40%	13,10,057	2.40%	0.19%
Anamaya Capital LLP	94,994	0.17%	94,994	0.17%	0.00%
Dhvanil K. Gandhi	34,619	0.06%	34,619	0.06%	0.00%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	0.00%

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Other equity (Refer note 21.1)		
Reserve u/s. 45-IC of RBI Act, 1934		
Outstanding at the beginning of the year	17,392.07	14,522.01
Additions during the year	3,156.53	2,870.06
Outstanding at the end of the year	**20,548.60**	**17,392.07**
Securities premium		
Outstanding at the beginning of the year	42,687.43	42,687.43
Additions during the year	-	-
Outstanding at the end of the year	**42,687.43**	**42,687.43**
Retained earnings		
Outstanding at the beginning of the year	39,634.96	28,104.57
Profit for the year	15,782.64	14,350.30
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	(8.30)	50.15
	55,409.30	**42,505.02**
Appropriations:		
Transfer to reserve u/s. 45-IC of RBI Act,1934	(3,156.53)	(2,870.06)
Final dividend on equity shares	(819.93)	-
Interim dividend on equity shares	(683.28)	-
Total appropriations	**(4,659.74)**	**(2,870.06)**
Retained earnings	**50,749.56**	**39,634.96**
Other comprehensive income		
Outstanding at the beginning of the year	12,076.21	7,310.18
Loans and advances fair valued through other comprehensive Income	(1,001.19)	936.29
Impairment on loans and advances through OCI	67.08	4,065.39
Income tax relating to items that will be reclassified to profit or loss	251.98	(235.65)
Other comprehensive income for the year, net of tax	**11,394.08**	**12,076.21**
Total other equity	**1,25,379.67**	**1,11,790.67**

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Retained earnings

Retained earnings is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;

ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

4 Other comprehensive income

On equity investments

The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiary) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

On loans

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loans and advances are sold. Further, impairment loss allowances on the loans are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2021: ₹ 1.5 per share (31 March 2020: ₹ Nil per share)	819.93	-
Interim dividend for 31 March 2022: ₹ 1.25 per share (31 March 2021 : ₹ Nil per share)	683.28	-
Total dividends paid	**1,503.21**	**-**

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	956.59	819.93

22. INTEREST INCOME

(₹ In Lakhs)

	Year ended 31 March 2022				Year ended 31 March 2021			
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	51,550.41	36.48	-	51,586.89	43,935.16	-	-	43,935.16
Interest income from investments	-	1,121.39	643.65	1,765.04	-	41.45	64.95	106.40
Interest on deposits with banks	-	2,391.36	-	2,391.36	-	2,913.80	-	2,913.80
Other interest income	292.76	912.26	-	1,205.02	586.96	871.32	-	1,458.28
Total	**51,843.17**	**4,461.49**	**643.65**	**56,948.31**	**44,522.12**	**3,826.57**	**64.95**	**48,413.64**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss - investments	499.12	56.32
Fair value changes:		
- Realised	187.02	29.90
- Unrealised	312.10	26.42
Total	**499.12**	**56.32**

24. OTHER INCOME

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rental income	9.60	11.71
Net gain\(loss) on derecognition of property, plant and equipment	-	(1.16)
Dividend income	66.08	39.19
Net gain on sale of investments measured at amortized cost	23.28	-
Gain on derecognition of leased asset	0.07	2.81
Income from non-financing activity	51.55	11.64
Total	**150.58**	**64.19**

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on debt securities	3,887.83	1,478.89
Interest on borrowings	22,418.02	19,430.03
Interest on subordinated liabilities	1,019.79	790.00
Other interest expense	2,954.11	3,538.23
Other borrowing cost	1,669.93	1,202.87
Lease liability interest obligation	4.11	9.06
Total	**31,953.79**	**26,449.08**

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	67.03	4,065.44
- Expected credit loss (On financial instruments measured at amortised cost)	30.70	-
- Write off (net of recoveries)	3,010.64	3,420.66
- Loss on sale of repossessed assets	248.60	351.42
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	52.69	2.52
Total	**3,409.66**	**7,840.04**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	3,972.91	2,746.20
Contribution to provident fund and other funds	153.97	153.23
Gratuity expense (Refer note 41)	47.99	49.50
Staff welfare expenses	48.15	23.96
Total	**4,223.02**	**2,972.89**

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	135.34	132.82
Amortisation of intangible assets	5.73	5.44
Right-of-use asset depreciation	36.54	74.72
Total	**177.61**	**212.98**

29. OTHER EXPENSES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	223.97	148.70
Rates and taxes	14.88	15.99
Stationery and printing	62.52	39.76
Telephone	54.21	51.82
Electricity	68.93	54.56
Postage and courier	71.65	40.46
Insurance	73.20	99.91
Conveyance	100.41	58.95
Travelling	162.58	52.97
Repairs and maintenance:		
Building	19.70	1.27
Others	140.26	66.37
Professional fees	518.86	458.00
Payment to auditors (Refer note below)	50.43	62.32
Directors' sitting fees	8.50	9.27
Legal expenses	56.83	49.99
Bank charges	139.51	145.08
Advertisement expenses	67.99	11.81
Sales promotion expenses	9.28	2.27
Recovery contract charges	14.22	35.93
Corporate social responsibility expenditure (Refer note 34)	440.87	417.64
Miscellaneous expenses	205.96	177.19
Total	**2,504.76**	**2,000.26**
Note: Payment to auditors (including taxes)		
As auditor:		
Statutory audit	18.07	25.07
Limited review of quarterly results	23.81	29.43
Other services	6.59	7.63
Reimbursements of expenses	1.96	0.19
	50.43	**62.32**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

30. TAX EXPENSES

The components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	5,423.01	5,809.77
Adjustment in respect of current income tax of prior years	(50.36)	-
Deferred tax	11.51	(870.78)
Total tax charge	**5,384.16**	**4,938.99**
Current tax	5,372.65	5,809.77
Deferred tax	11.51	(870.78)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021 is, as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before tax	21,166.80	19,289.29
Applicable tax rate	25.17%	25.17%
Computed tax expense	5,327.26	4,854.73
Tax effect of :		
Exempted income	(20.70)	(0.88)
Non deductible items	196.75	113.93
Adjustment in respect of current income tax of prior years	(50.36)	-
Others	(68.79)	(28.79)
Tax expenses recognised in the statement of profit and loss	**5,384.16**	**4,938.99**
Effective tax rate	25.44%	25.60%

30.2 Deferred tax

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	2,116.67	1,498.41
Credit / (charge) for loans and advances through OCI	251.98	(235.65)
Credit / (charge) for remeasurement of the defined benefit liabilities	2.79	(16.87)
Credit / (charge) to the statement of profit and loss	(11.51)	870.78
At the end of year DTA / (DTL) (net)	**2,359.93**	**2,116.67**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

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

(₹ In Lakhs)

	As at 31 March 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(37.61)	(6.47)	-	(44.08)
Deferred tax on fair value of investments	(1.71)	-	-	(1.71)
Impact of fair value of assets	(357.71)	-	251.98	(105.73)
Income taxable on realised basis	6.36	(8.80)	-	(2.44)
Deferred tax on prepaid finance charges	(1.48)	(27.28)	-	(28.76)
Impairment on financial assets	2,497.78	37.85	-	2,535.63
Recognition of lease liability and right to use asset	2.18	(1.42)	-	0.76
Expenses allowable on payment basis	8.86	(5.39)	2.79	6.26
Total	**2,116.67**	**(11.51)**	**254.77**	**2,359.93**

(₹ In Lakhs)

	As at 1 April 2020	Statement of profit and loss	OCI	As at 31 March 2021
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(35.82)	(1.79)	-	(37.61)
Deferred tax on fair value of investments	(1.71)	-	-	(1.71)
Impact of fair value of assets	(122.06)	-	(235.65)	(357.71)
Income taxable on realised basis	167.11	(160.75)	-	6.36
Deferred tax on prepaid finance charges	(3.51)	2.03	-	(1.48)
Impairment on financial assets	1,474.04	1,023.74	-	2,497.78
Recognition of lease liability and right to use asset	4.53	(2.35)	-	2.18
Expenses allowable on payment basis	15.83	9.90	(16.87)	8.86
Total	**1,498.41**	**870.78**	**(252.52)**	**2,116.67**

30.3 Current tax liabilities

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for tax [net of advance tax of ₹ 5,197.88 lakhs (31 March 2021: ₹ 4,632.93 lakhs)]	225.13	1,176.84

30.4 Income tax assets

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Income tax assets [net of provision for tax of ₹ 28,103.86 lakhs (31 March 2021: ₹ 22,294.09 lakhs)]	623.33	592.40

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to equity shareholders (basic)	15,782.64	14,350.30
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	28.87	26.25

(B) Diluted earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to equity shareholders (diluted)	15,782.64	14,350.30
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	28.87	26.25

32. AMORTISING THE GAIN ON ASSIGNMENT OF FINANCIAL ASSETS OVER THE RESIDUAL TENURE INSTEAD OF BOOKING UPFRONT:

Disclosure requirement as per para 20 of Ind AS 1 'Presentation of Financial Statements' is as follows:

On derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Company is required to recognise the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

The Company is of view that the accounting treatment prescribed in Ind AS 109 inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio and will not present true and fair view of the entity's financial position, financial performance and cash flows. Therefore, the management of the Company has exercised their judgement under para 19 of Ind AS 1 and has departed from the aforementioned requirement of Ind AS 109. The Company is complying with the applicable Ind AS except for the particular requirement of Ind AS 109 as mentioned above.

As per current practice, such gains are recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio while related assets and liabilities are recorded at the fair value as per Ind AS requirement.

If the Company had complied with Ind AS 109, the financial impact on the following items [Increase / (decrease)] in the financial statements would have been as under:

(A) Impact on Statement of Profit and Loss items:

(₹ In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gain on assignment of financial assets	(37.18)	(3,394.64)
Profit before tax	(37.18)	(3,394.64)
Deferred tax expense / (Credit)	(9.36)	(854.36)
Profit after tax	(27.82)	(2,540.28)
Basic / Diluted EPS	(0.05)	(4.65)

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(B) Impact on Balance Sheet items:

(₹ In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Other equity	3,212.92	3,240.74
Other non-financial liabilities	(4,293.73)	(4,330.91)
Deferred tax asset	(1,080.81)	(1,090.17)

Further, NBFC industry body Finance Industry Development Council which is represented by more than 100 NBFCs is also of the same view.

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(A) Contingent liabilities		
I) Guarantees given on behalf of subsidiary company: (Refer note i)		
a) To banks		
Amount of guarantees ₹ Nil (31 March 2021: ₹ 1,000 lakhs)		
Amount of loans outstanding	-	107.14
b) To National Housing Bank ("NHB")		
Amount of guarantees ₹ 500 lakhs (31 March 2021: ₹ 500 lakhs)		
Amount of loan outstanding	111.31	144.07
(B) Commitments		
I) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Property, plant & equipment and Capital work in progress	138.00	-
II) Loan commitments for sanctioned but not disbursed amount	4,500.00	135.00

Notes:

i) Guarantees have been given by the Company to various banks and NHB on behalf of the subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

ii) The Company's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Company for the last three financial years was ₹ 22,043.33 lakhs, basis which the Company was required to spend ₹ 440.87 lakhs towards CSR activities for the current financial year (31 March 2021: ₹ 417.64 lakhs).

a) Amount spent during the year on:

(₹ In Lakhs)

Particulars	31 March 2022			31 March 2021		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	42.00	398.87	440.87	33.43	384.21	417.64

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of on-going projects

(₹ In Lakhs)

F. Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2021-22	**-**	**384.21**	**440.87**	**42.00**	**92.17**	**398.87**	**292.04**
2020-21	Nil	N.A.	417.64	33.43	-	384.21	-

Note: Unspent CSR amount of ₹ 384.21 lakhs for FY 2020-21 was deposited in unspent CSR bank account on 28 April 2021. Unspent amount of ₹ 398.87 lakhs available with the Company shall be transferred to an unspent CSR account by end of 30 April 2022.

d) Reason for shortfall: The Company has on-going projects and it is spending the said amount as per pre-approved on-going projects. For more details, refer annexure of Director's report on CSR.

e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35. SEGMENT REPORTING:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Subsidiary	꠸꠸꠸꠸ Rural Housing & Mortgage Finance Limited
2	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and managing director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole time director and chief financial officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Bala Bhaskaran (Independent director)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director)
		Mrs. Daksha Shah (Independent director)
3	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Umesh Rajanikant Shah HUF (relative of KMP)
		Pauravi Umesh Shah (relative of KMP)

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Transactions with related parties are as follows:

(₹ In Lakhs)

	Year ended 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	9.60	-	-	9.60
Recovery contract charges received	3.32	-	-	3.32
Expenditure reimbursed by	979.50	-	-	979.50
Remittances of collection received on behalf of	59.82	-	-	59.82
Remuneration (including bonus)	-	414.94	78.67	493.61
Dividend received	66.08	-	-	66.08
Dividend paid	-	617.73	489.64	1,107.37
Investment	1,000.00	-	-	1,000.00
Sitting fees	-	7.80	-	7.80

(₹ In Lakhs)

	Year ended 31 March 2021			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	11.71	-	-	11.71
Recovery contract charges received	2.40	-	-	2.40
Expenditure reimbursed by	12.59	-	-	12.59
Remittances of collection received on behalf of	36.47	-	-	36.47
Remuneration (including bonus)	-	39.56	64.70	104.26
Dividend received	39.19	-	-	39.19
Sitting fees	-	8.50	-	8.50

Balances outstanding from related parties are as follows:

(₹ In Lakhs)

	As at 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	22.70	2.10	24.80
Investment	4,485.36	-	-	4,485.36
Guarantees outstanding	111.31	-	-	111.31

(₹ In Lakhs)

	As at 31 March 2021			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	1.20	1.92	3.12
Investment	3,344.98	-	-	3,344.98
Guarantees outstanding	251.21	-	-	251.21

Financial guarantee commission income amounts to ₹ 1.22 lakhs (31 March 2021: ₹ 2.51 lakhs) on account of fair valuation of corporate financial guarantee given to bank on behalf of subsidiary.

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Transactions with key management personnel are as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Post-employment benefits	1.23	2.68
Other long term employment benefits	4.46	0.38
	5.69	**3.06**

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(b) Disclosures as per Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ In Lakhs)

Sr. No.	Name	As at 31 March 2022	Maximum balance out-standing during the year ended 31 March 2022	As at 31 March 2021	Maximum balance out-standing during the year ended 31 March 2021
1	M Power Micro Finance Private Limited	-	-	-	1,305.11

* The director interested in M Power Micro Finance Private Limited redeemed his holding on 23 October 2020 and hence, the disclosures made are of maximum balance outstanding up to that date.

37. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2022 and 31 March 2021. The column 'net amount' shows the impact of the Company's balance sheet if all the set-off rights were exercised.

(₹ In Lakhs)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amounts	Gross amount off set in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2022					
Loans and advances	4,55,969.91	589.71	4,55,380.20	28,872.83	4,26,507.37
31 March 2021					
Loans and advances	3,83,459.23	2,945.83	3,80,513.40	34,475.90	3,46,037.50

Note:

1. ₹ 589.71 lakhs (31 March 2021: ₹ 2,945.83 lakhs) represents advances received against loan agreements.
2. ₹ 28,872.83 lakhs (31 March 2021: ₹ 34,475.90 lakhs) represents security deposits received from borrowers.

38. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

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Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

39. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Type of income		
Others	1,721.90	1,804.62
Total revenue from contracts with customers	**1,721.90**	**1,804.62**
Geographical markets		
India	1,721.90	1,804.62
Outside India	-	-
Total revenue from contracts with customers	**1,721.90**	**1,804.62**
Timing of revenue recognition		
Services transferred at a point in time	1,721.90	1,804.62
Services transferred over time	-	-
Total revenue from contracts with customers	**1,721.90**	**1,804.62**

40. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	27,349.84	-	27,349.84	96,505.14	-	96,505.14
Bank balance other than cash and cash equivalents	53,657.66	2,072.84	55,730.50	1,043.21	2,137.54	3,180.75
Trade receivables	100.41	-	100.41	221.45	-	221.45
Loans	2,78,870.16	1,76,510.04	4,55,380.20	2,30,040.95	1,50,472.45	3,80,513.40
Investments	15,768.78	38,037.24	53,806.02	6,107.17	17,396.19	23,503.36
Other financial assets	4,351.33	910.39	5,261.72	3,979.29	785.55	4,764.84
Non-financial assets						
Income tax assets (net)	-	623.33	623.33	-	592.40	592.40
Deferred tax assets (net)	-	2,359.93	2,359.93	-	2,116.67	2,116.67
Property, plant and equipment	-	1,239.03	1,239.03	-	1,081.27	1,081.27
Capital work-in-progress	-	5,204.39	5,204.39	-	5,002.73	5,002.73
Right-of-use asset	14.29	39.21	53.50	32.45	5.25	37.70
Intangible assets under development	-	3.57	3.57	-	-	-
Other intangible assets	-	22.00	22.00	-	8.76	8.76
Other non-financial assets	367.15	-	367.15	231.26	-	231.26
Total assets	**3,80,479.62**	**2,27,021.97**	**6,07,501.59**	**3,38,160.92**	**1,79,598.81**	**5,17,759.73**
LIABILITIES						
Financial liabilities						
Trade payables	1,411.85	-	1,411.85	655.98	-	655.98
Other payables	155.43	-	155.43	100.92	-	100.92
Debt securities	6,464.63	29,738.42	36,203.05	24,976.34	6,435.18	31,411.52

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings (other than debt securities)	2,38,508.47	1,34,764.32	3,73,272.79	2,06,099.26	85,876.04	2,91,975.30
Subordinated liabilities	4,000.00	9,721.55	13,721.55	1,996.55	4,000.00	5,996.55
Other financial liabilities	31,121.11	14,638.32	45,759.43	49,253.17	14,000.39	63,253.56
Non-financial liabilities						
Current tax liabilities (net)	225.13	-	225.13	1,176.84	-	1,176.84
Provisions	9.60	706.19	715.79	-	396.38	396.38
Other non-financial liabilities	4,041.91	1,148.79	5,190.70	4,398.23	1,137.58	5,535.81
Total liability	**2,85,938.13**	**1,90,717.59**	**4,76,655.72**	**2,88,657.29**	**1,11,845.57**	**4,00,502.86**
Net	**94,541.49**	**36,304.38**	**1,30,845.87**	**49,503.63**	**67,753.24**	**1,17,256.87**

41. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefits are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 129.12 lakhs (31 March 2021: ₹ 126.89 lakhs) and employee state insurance scheme aggregating ₹ 13.45 lakhs (31 March 2021: ₹ 15.75 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

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Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	283.78	294.76
Current service cost	49.33	48.44
Interest cost	18.92	19.84
Benefits paid	(17.59)	(8.37)
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	(5.62)	(5.74)
Change in financial assumptions	(3.00)	-
Experience adjustments	16.41	(65.15)
Present value of defined benefit obligations at the end of the year	**342.23**	**283.78**
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	278.68	249.11
Interest income	20.27	18.78
Return on plan assets excluding amounts included in interest income	(3.31)	(3.88)
Contributions by the Company	56.35	23.04
Benefits paid	(17.59)	(8.37)
Fair value of plan assets at the end of the year	**334.40**	**278.68**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	**342.23**	283.78
Fair value of plan assets at the end of the year	**334.40**	278.68
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(7.83)**	**(5.10)**

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
v. Expense recognised during the Year		
Current service cost	49.33	48.44
Interest cost	(1.34)	1.06
Expenses recognised in the statement of profit and loss	**47.99**	**49.50**
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(3.00)	-
Due to change in demographic assumption	(5.62)	(5.74)
Due to experience adjustments	16.41	(65.15)
Return on plan assets excluding amounts included in interest income	3.31	3.88
Components of defined benefit costs recognised in other comprehensive income	**11.10**	**(67.01)**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
vii. Principal actuarial assumptions		
Discount rate (per annum)	6.95%	6.85%
Rate of return on plan assets (p.a.)	6.95%	6.85%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	20.00%	10.00%
26 to 35	15.00%	8.00%
36 to 45	10.00%	6.00%
46 to 55	5.00%	4.00%
56 and above	5.00%	2.00%

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

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.The results of sensitivity analysis is given below:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Defined benefit obligation (Base)	**342.23**	283.78

(₹ In Lakhs)

	Year ended 31 March 2022		Year ended 31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	357.65	327.86	299.98	268.83
(% change compared to base due to sensitivity)	4.50%	-4.20%	5.71%	-5.26%
Salary growth rate (- / + 0.5%)	330.50	354.74	271.30	296.98
(% change compared to base due to sensitivity)	-3.43%	3.66%	-4.40%	4.65%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	343.66	340.85	284.86	282.75
(% change compared to base due to sensitivity)	0.42%	-0.40%	0.38%	-0.36%

ix. Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 9.09 years.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	26.39	3.80%
2nd Following year	27.13	3.90%
3rd Following Year	26.53	3.80%
4th Following Year	26.65	3.80%
5th Following Year	28.02	4.00%
Sum of years 6 to 10	148.69	21.20%

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 7.83 lakhs.

c) Other long term employee benefits

The liability for compensated absences as at 31 March 2022 is ₹ 17.05 lakhs and as at 31 March 2021 is ₹ 7.07 lakhs.

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

42. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

iii) Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures have been determined under level 1 using quoted market prices of the underlying instruments. Fair value of investment in alternate investment funds and mutual funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Company has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Lakhs)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,51,322.09	-	-	-	4,51,322.09	4,51,322.09
Investments measured at FVTPL	-	-	32,583.14	26,296.65	4,021.96	2,264.53	32,583.14
	-	**4,51,322.09**	**32,583.14**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	27,349.84	-	-	27,349.84	-	-	27,349.84
Bank balance other than cash and cash equivalents	55,730.50	-	-	55,730.50	-	-	55,730.50
Trade receivables	100.41	-	-	-	-	100.41	100.41
Loans measured at amortised cost	4,058.11	-	-	-	-	4,088.81	4,088.81
Investment measured at amortised cost	19,002.05	-	-	-	-	19,057.26	19,057.26
Other financial assets	5,261.72	-	-	-	-	5,258.15	5,258.15
	1,11,502.63	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	1,411.85	-	-	-	-	1,411.85	1,411.85
Other payables	155.43	-	-	-	-	155.43	155.43
Debt securities	36,203.05	-	-	-	-	38,322.32	38,322.32
Borrowings (other than debt securities)	3,73,272.79	-	-	-	-	3,74,970.50	3,74,970.50
Subordinated liabilities	13,721.55	-	-	-	-	14,019.98	14,019.98
Other financial liabilities	45,759.43	-	-	-	-	45,759.43	45,759.43
	4,70,524.10	**-**	**-**				

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

As at 31 March 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,80,513.40	-	-	-	3,80,513.40	3,80,513.40
Investments measured at FVTPL	-	-	14,721.02	11,566.97	2,029.90	1,124.15	14,721.02
	-	**3,80,513.40**	**14,721.02**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	96,505.14	-	-	96,505.14	-	-	96,505.14
Bank balance other than cash and cash equivalents	3,180.75	-	-	3,180.75	-	-	3,180.75
Trade receivables	221.45	-	-		-	221.45	221.45
Investment measured at amortised cost	6,561.51	-	-	-	-	6,564.03	6,564.03
Other financial assets	4,764.84	-	-	-	-	4,762.47	4,762.47
	1,11,233.69	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	655.98	-	-	-	-	655.98	655.98
Other payables	100.92					100.92	100.92
Debt securities	31,411.52					31,520.62	31,520.62
Borrowings (other than debt securities)	2,91,975.30	-	-	-	-	2,93,032.13	2,93,032.13
Subordinated liabilities	5,996.55	-	-	-	-	6,168.36	6,168.36
Other financial liabilities	63,253.56	-	-	-	-	63,253.56	63,253.56
	3,93,393.83	**-**	**-**				

[1] The Company has determined that the carrying values of cash and cash equivalents, bank balances (with the residual maturity up to 12 months), trade payables, short term debts and borrowings, cash credit and other current liabilities are a reasonable approximation of their fair value as these are short term in nature.

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loans		
Balance at the beginning of the year	3,84,844.31	3,42,572.18
Addition during the year	3,45,406.49	2,50,842.48
Amount derecognised / repaid during the year	(2,70,623.15)	(2,06,085.98)
Amount written off	(3,010.64)	(3,420.66)
Gains/(losses) recognised in other comprehensive income	(1,001.19)	936.29
Balance at the end of the year	4,55,615.82	3,84,844.31

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Sensitivity analysis to fair value

(₹ In Lakhs)

	Amount, net of tax	
	Increase	**Decrease**
31 March 2022		
Loans		
Interest rates (50 bps movement)	(897.76)	901.67
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(26.57)	27.20
31 March 2021		
Loans		
Interest rates (50 bps movement)	(673.17)	675.78
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(13.36)	13.68

43 CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

43.1 Capital management

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

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

43.2 Regulatory capital

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Tier 1 Capital	1,16,420.76	1,02,662.08
Tier 2 Capital	16,520.39	8,467.87
Total Capital (Numerator)	**1,32,941.15**	**1,11,129.95**
Risk weightage assets (Denominator)	5,04,527.96	4,13,815.48
Risk weighted assets		
Tier 1 Capital Ratio (%)	23.08%	24.81%
Tier 2 Capital Ratio (%)	3.27%	2.05%
Total Capital Ratio (%)	26.35%	26.85%

Tier 1 capital consists of shareholders' equity and retained earnings excluding unrealised gain but including unrealised loss. Tier 2 capital consists of ECL on stage 1 and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

44.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

Analysis of risk concentration

The following table shows the risk concentration of the Company's loans.

(₹ In Lakhs)

	Carrying Amount	
	As at 31 March 2022	As at 31 March 2021
Retail assets loans:	2,28,609.18	1,64,077.99
Two wheeler loans	25,978.81	19,548.15
Micro enterprise loans	1,04,316.10	88,992.95
Salaried personal loans	10,339.65	9,243.88
Small and medium enterprise loans	83,248.97	42,146.37
Commercial vehicle loans	4,725.65	4,146.64
RAC loans	**2,31,095.45**	**2,20,766.32**
Total	**4,59,704.63**	**3,84,844.31**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loans are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes due by more than 90 days on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company has staged the assets based on the days past dues criteria and other market factors which significantly impacts the loan portfolio.

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

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 months provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 months provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime provision

(ii) Grouping:

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. The Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans

b. Micro enterprise loans

c. Salaried personal loans

d. Small and medium enterprise loans

e. Commercial vehicle loans

f. Retail asset channel loans

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Company is validated in accordance with its ECL policy.

The Company has developed its PD matrix based on the external benchmarking of external reports, external ratings and Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data of the Company calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out PD based on the last five years historical data.

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs are converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the Current year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. The Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of four components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding balance) % LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected assignment of loans.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure of retail loans. Further, the EAD for stage 3 retail loans are the outstanding exposures at the time loan is classified as Stage 3 for the first time.

Discounting:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Company has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Company, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of ECL provided for across the stages is summarised below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Stage 1	1.03%	1.58%
Stage 2	11.37%	20.12%
Stage 3	42.61%	38.61%
Amount of expected credit loss provided for	**10,019.62**	**9,921.84**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

(iv) Impact assessment on account of COVID-19

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of instalments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company arising on account of COVID-19 and accordingly is providing for additional management overlay provision for such uncertainty. As at 31 March 2022, additional Expected Credit Loss (ECL) provision on loan assets as management overlay on account of COVID-19 stood at ₹ 3,783.71 lakh (31 March 2021: ₹ 5,622.97 lakh).

The additional ECL provision on account of COVID-19 is based on the Company's historical experience, collection efficiencies till date, internal assessment and other macro economic factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic.

(v) Modification of financial assets

The Company has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Company monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2022 is ₹ 1,615.53 lakhs (31 March 2021: ₹ 446.20 lakhs). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 178.30 lakhs as at 31 March 2022 (31 March 2021: ₹ 111.92 lakhs). The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

44.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility, term loans and direct assignment of loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Company is ₹ 1,82,500 lakhs spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

RBI has mandated minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 192.68% as of 31 March 2022 as against the LCR of 50% mandated by RBI.

Over the years, the Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cash flow of the Company's financial liabilities:

(₹ In Lakhs)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2022									
Debt securities	-	-	-	-	7,658.97	35,710.89	-	-	43,369.86
Borrowings (Other than debt securities)	5,938.42	7,423.30	16,125.87	28,463.40	1,96,328.20	1,16,099.95	36,036.87	-	4,06,416.01
Subordinated liabilities	72.16	88.36	4,209.55	270.96	533.08	2,152.95	2,150.00	10,216.34	19,693.39
Payable	1,120.74	271.85	10.05	30.15	134.49	-	-	-	1,567.28
Lease liability	2.29	1.84	1.84	4.53	6.92	28.57	22.57	-	68.55
Other financial liabilities	16,186.24	982.33	2,404.35	4,333.35	7,201.88	13,103.72	1,156.35	334.68	45,702.91

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Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2021									
Debt securities	-	-	-	2,250.00	26,110.59	7,629.52	-	-	35,990.11
Borrowings (Other than debt securities)	6,903.87	4,486.55	10,372.48	16,962.18	1,78,139.52	71,767.48	23,569.16	2,615.96	3,14,817.20
Subordinated liabilities	-	-	129.64	2,254.11	259.29	4,118.25	-	-	6,761.29
Payable	647.44	10.13	9.80	29.41	60.12	-	-	-	756.90
Lease liability	5.99	5.45	5.33	14.51	10.37	6.62	0.76	-	49.03
Other financial liabilities	29,158.38	1,446.13	2,019.95	4,984.09	11,605.17	12,103.20	1,361.88	528.38	63,207.18

44.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Company.

(₹ In Lakhs)

Change in interest rates	Year ended 31 March 2022		Year ended 31 March 2021	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	26,296.65	26,296.65	11,566.97	11,566.97
Impact on profit before tax for the year	131.48	(131.48)	57.83	(57.83)
Variable rate lending	2,31,095.45	2,31,095.45	2,20,766.32	2,20,766.32
Impact on profit before tax for the year	1,155.48	(1,155.48)	1,103.83	(1,103.83)
Variable rate borrowings	3,53,977.61	3,53,977.61	2,66,619.90	2,66,619.90
Impact on profit before tax for the year	(1,769.89)	1,769.89	(1,333.10)	1,333.10

B. Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

45. LEASE DISCLOSURE

Where the Company is the lessee

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2022	As at 31 March 2021
Not later than one year	17.41	41.65
Later than one year and not later than five years	51.14	7.38
Later than five years	-	-
Total undiscounted lease liabilities	**68.55**	**49.03**
Lease liabilities included in the balance sheet		
Total lease liabilities	56.52	46.38

(₹ In Lakhs)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	4.11	9.06
Depreciation charge for the year	36.54	74.72
Expenses relating to short term leases	223.97	148.70

(₹ In Lakhs)

Amount recognised in statement of cash flow	Year ended 31 March 2022	Year ended 31 March 2021
Cash outflow towards lease liability	(42.13)	(81.24)

For addition and carrying amount of right to use asset for 31 March 2022 and 31 March 2021, refer note 11(d).

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

46. TRANSFER OF FINANCIAL ASSETS

46.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Securitisation		
Carrying amount of transferred assets	5,759.75	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	5,003.21	-
Fair value of assets (A)	5,750.45	-
Fair value of associated liabilities (B)	4,995.13	-
Net position at Fair Value (A-B)	755.31	-

46.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Direct assignment		
Carrying amount of de-recognised financial asset	1,06,918.22	1,31,581.06
Carrying amount of retained financial asset	14,582.48	15,344.12

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Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

46.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

47. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

48. The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

49. The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

50. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

51. The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2022 are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.

52. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

53. As a part of normal lending business, the Company grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54A. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

54B. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2022 and 31 March 2021.

54C. The Company has not entered into any scheme of arrangement.

Notes

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55. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE XVI OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 (UPDATED AS ON 3 MARCH 2022) "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

55.1 Capital

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
i) CRAR (%)	26.35%	26.85%
ii) CRAR - Tier I capital (%)	23.08%	24.81%
iii) CRAR - Tier II capital (%)	3.27%	2.05%
iv) Amount of subordinated debt raised as Tier-II capital	12,000.00	3,300.00
v) Amount raised by issue of perpetual debt instruments	-	-

55.2 Investments

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
1. Value of investments		
(i) Gross value of investments		
(a) In India	53,861.23	23,505.88
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	55.21	2.52
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	53,806.02	23,503.36
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments.		
(i) Opening balance	2.52	-
(ii) Add : Provisions made during the year	52.69	2.52
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	55.21	2.52

55.3 Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

55.4 Asset liability management maturity pattern of certain items of assets and liabilities

As at 31 March 2022

(₹ In Lakhs)

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 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
Bank Fixed Deposits	3,525.57	-	196.48	-	-	1.14	53,559.50	-	2,072.84	-	59,355.53
Advances	5,749.42	6,331.82	21,532.67	28,083.45	34,790.61	72,115.21	1,10,266.98	1,58,424.07	16,293.46	1,792.51	4,55,380.20
Investments	258.71	-	2,653.47	1,967.66	1,768.35	3,109.58	6,011.01	33,703.23	1,181.99	3,152.02	53,806.02
Borrowings	700.30	1,905.67	1,788.30	5,841.57	18,626.37	24,268.72	1,89,377.53	1,37,530.79	33,436.59	9,721.55	4,23,197.39
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

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As at 31 March 2021

(₹ In Lakhs)

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 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
Bank Fixed Deposits	23,067.82	10,653.04	4,290.76	7,809.88	1,702.06	-	1,026.92	-	2,137.54	-	50,688.02
Advances	1,969.23	4,161.17	16,094.70	21,376.05	21,989.93	62,696.52	1,01,753.35	1,30,109.48	18,519.99	1,842.98	3,80,513.40
Investments	-	-	650.18	749.53	706.86	1,851.76	2,148.82	14,051.23	666.67	2,678.31	23,503.36
Borrowings	1,625.60	1,447.75	2,748.77	3,412.55	9,343.73	16,082.01	1,98,411.74	72,670.00	21,128.11	2,513.11	3,29,383.37
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

55.5 Exposure to Real Estate Sector

(₹ In Lakhs)

Category	As at 31 March 2022	As at 31 March 2021
a) Direct exposure		
(i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii) Commercial real estate -		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits;	2,293.97	2,360.93
(iii) Investments in Mortgage Backed Securities ("MBS") and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-

55.6 Exposure to Capital Market

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	2,684.08	2,220.83
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to venture capital funds (both registered and unregistered)	-	-
Total	**2,684.08**	**2,220.83**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

55.7 Details of financing of parent company products

Not applicable

55.8 Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:

Nil

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:

Nil

55.9 Unsecured advances

a) Refer note 8(B)(ii) to the standalone financial statements.

b) The Company has not granted any advances against intangible securities (31 March 2021: Nil).

55.10 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

55.11 Disclosure of penalties imposed by RBI and other regulators

During the year ended 31 March 2022, no penalties have been imposed by RBI and other regulators (31 March 2021: Nil).

55.12 Related party transactions

Refer note 36 to the standalone financial statements.

55.13 Ratings assigned by credit rating agencies and migration of ratings during the year

By Acuite Ratings & Research Limited:

(₹ In Lakhs)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	4,50,000	ACUITE AA-(Stable)	No migration of rating
Commercial paper issue	30,000	ACUITE A1+	No migration of rating

By ICRA Limited:

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Subordinate debt	6,000	ICRA A (stable)	No migration of rating

By Care Ratings Limited:

(₹ In Lakhs)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	5,00,000	CARE A+ (Stable)	No migration of rating
Commercial Papers issue	25,000	CARE A1+	No migration of rating
Non Convertible Debentures	50,000	CARE A+ (Stable)	No migration of rating
Market linked debenture	7,500	CARE PP-MLD A1+ Stable	No migration of rating
Market linked debenture	20,000	CARE PP-MLD A1+ Stable	No migration of rating
Subordinate debt	10,000	CARE A+ (Stable)	No migration of rating
Market linked debenture	20,000	CARE PP-MLD A1+ Stable	No migration of rating

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

55.14 Remuneration of directors

Refer note 36 to the standalone financial statements.

55.15 Management

The annual report has a detailed chapter on Management Discussion and Analysis.

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

The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.

55.17 Revenue recognition

Refer note 3.1 to the standalone financial statements.

55.18 Ind AS 110 - consolidated financial statements (CFS)

The Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements.

55.19 Provisions and contingencies

The information on all provisions and contingencies is as under:

(₹ In Lakhs)

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss	As at 31 March 2022	As at 31 March 2021
Provision for depreciation on investment	52.69	2.52
Provision towards non performing assets (Stage 3 loan assets)	1,982.19	582.25
Provision made towards income tax	5,372.65	5,809.77
Provision towards standard assets (Stage 1 and 2 loan assets)	(1,884.42)	3,483.15

55.20 Draw down from reserves

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Draw down from reserves	-	-

55.21 Concentration of deposits (for deposit taking NBFCs)

Not Applicable

55.22 Concentration of advances

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total advances to twenty largest borrowers	1,25,937.89	1,20,996.73
Percentage of advances to twenty largest borrowers to total advances of the NBFC	27.66%	31.80%

55.23 Concentration of exposures

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total exposure to twenty largest borrowers / customers	1,36,070.67	1,27,510.83
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	29.59%	33.50%

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

55.24 Concentration of NPAs

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total exposure to top four NPA accounts	767.51	498.45

55.25 Sector-wise NPAs

(₹ In Lakhs)

Sector	% of NPA to Total Advances in that sector as at 31 March 2022	% of NPA to Total Advances in that sector as at 31 March 2021
(i) Agriculture and allied activities	3.49%	2.32
(ii) MSME	4.66%	4.55
(iii) Corporate borrowers	0.14%	0.29
(iv) Services	6.46%	6.40
(v) Unsecured personal loans	5.66%	3.25
(vi) Auto loans	6.62%	3.39
(vii) Other personal loans	-	-

55.26 Movement of NPAs

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(i) Net NPAs to net advances (%)	1.34%	1.06%
(ii) Movement of NPAs (gross)		
(a) Opening balance	6,442.50	6,291.85
(b) Additions during the year	9,979.81	2,970.58
(c) Reductions during the year	5,932.91	2,819.93
(d) Closing balance	10,489.40	6,442.50
(iii) Movement of net NPAs		
(a) Opening balance	3,954.90	4,386.50
(b) Additions during the year	6,012.22	1,840.79
(c) Reductions during the year	3,947.52	2,272.39
(d) Closing balance	6,019.61	3,954.90
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2,487.60	1,905.35
(b) Provisions made during the year	3,967.59	1,129.79
(c) Write-off / write-back of excess provisions	1,985.39	547.54
(d) Closing balance	4,469.79	2,487.60

55.27 Overseas assets (for those with joint ventures and subsidiaries abroad)

Nil

55.28 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Nil

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

55.29 Disclosure of customers complaints

	As at 31 March 2022	As at 31 March 2021
(a) No. of complaints pending at the beginning of the year	0	0
(b) No. of complaints received during the year	55	11
(c) No. of complaints redressed during the year	54	11
(d) No. of complaints pending at the end of the year	1	0

56. DISCLOSURES RELATING TO SECURITISATION AND TRANSFER OF LOAN EXPOSURE

The information of securitisation and transfer of loan exposure by the Company as required by RBI circular RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 and RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 is as under:

(a) For Securitisation Transaction by originator (non-STC transaction)

(₹ In Lakhs)

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	1	-
2	Total amount of securitised assets as per books of the SPEs	5,003.21	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	499.10	-
	• Others	1,057.91	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	285.70	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets;	8,922.41	-
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
	Over collateralisation	1,057.91	-
	Excess Interest spread	285.70	-
	Cash collateral	499.10	-
7	Performance of facility provided		

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
	Over collateralisation		
	(a) Amount paid	1,057.91	-
	(b) Repayment received	-	-
	(c) Outstanding amount	1,057.91	-
	Excess Interest spread		
	(a) Amount paid	499.82	-
	(b) Repayment received	214.12	-
	(c) Outstanding amount	285.70	-
	Cash collateral		
	(a) Amount paid	499.10	-
	(b) Repayment received	-	-
	(c) Outstanding amount	499.10	-
8	Average default rate of portfolios observed in the past.		
	(a) loans to NBFCs	0.40%	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

(b) For Securitisation Transaction by originator (STC transaction) - Not applicable

(c) Details of loans not in default transferred through assignment during the year ended 31 March 2022

(₹ In Lakhs)

Particulars	Year ended 31 March 2022
Aggregate principal outstanding of loans transferred (₹ in lakh)	1,32,939.72
Weighted average residual maturity (in months)	19
Weighted average holding period (in months)	6
Average retention of beneficial economic interest (MRR) (%)	13%
Average coverage of tangible security (%)	24%
Rating wise distribution of loans transferred	Unrated

(d) Details of loans not in default acquired through assignment during the year ended 31 March 2022

(₹ In Lakhs)

Particulars	Year ended 31 March 2022
Aggregate principal outstanding of loans acquired (₹ in lakh)	20,335.06
Weighted average residual maturity (in months)	26
Weighted average holding period (in months)	16
Average retention of beneficial economic interest (MRR) by originator (%)	10%
Average coverage of tangible security (%)	5%
Rating wise distribution of loans acquired	Unrated

(e) Details of non-performing financial assets purchased / sold

The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

57. DISCLOSURE ON LIQUIDITY RISK PURSUANT TO RBI CIRCULAR DATED 4 NOVEMBER 2019 ON 'LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES AND CORE INVESTMENT COMPANIES' IS AS FOLLOWS:

57.1 Funding concentration based on significant counterparty[1] (both deposits and borrowings)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Number of significant counterparties	19	17
Amount	3,63,039.34	3,02,053.27
Percentage of funding concentration to total deposits	Not Applicable	Not Applicable
Percentage of funding concentration to total liabiities[2]	76%	75%

[1] Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

[2] Total liabilities represents total liabilities as per balance sheet.

57.2 Top 20 large deposits

Not Applicable to the Company as it does not accept public deposits.

57.3 Top 10 borrowings

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total amount of top 10 borrowings	2,87,933.36	2,56,590.17
Percentage of amount of top 10 borrowings to total borrowings	68%	78%

57.4 Funding concentration based on significant instrument/product[3]

(₹ In Lakhs)

Name of instrument/product	As at 31 March 2022	Percentage of total liabilities	As at 31 March 2021	Percentage of total liabilities
Term Loans	2,17,896.89	46%	1,45,854.60	36%
Cash credit / Overdraft / Working capital demand loan	1,52,080.72	32%	1,47,120.69	37%
Market linked Debenture	36,500.00	8%	6,500.00	2%
Subordinate-debentures	14,000.00	3%	6,000.00	1%
Securitisation	5,003.21	1%	-	0%
Non convertible debentures	-	0%	25,000.00	6%

[3] Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

57.5 Stock ratio

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
(i)	Commercial paper as a percentage of total public funds[4]	Not applicable	Not applicable
(ii)	Commercial paper as a percentage of total liabilities	Not applicable	Not applicable
(iii)	Commercial paper as a percentage of total assets	Not applicable	Not applicable
(iv)	Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	Not applicable	Not applicable
(v)	Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	Not applicable	Not applicable
(vi)	Non convertible debentures(original maturity of less than one year) as a percentage of total assets	Not applicable	Not applicable
(vii)	Other short term liabilities* as a percentage of total public funds	63%	81%
(viii)	Other short term liabilities as a percentage of total liabilities	57%	67%
(ix)	Other short term liabilities as a percentage of total assets	44%	52%

[4] Public funds as defined in Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

* Excludes security deposits received from borrowers

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

57.6 Institutional set-up for liquidity risk management

Refer note 44.2 of the standalone financials statements.

Liquidity coverage ratio

(₹ In Lakhs)

	Particulars	Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021			Quarter ended 31 March 2022
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	21,984.44	21,984.44	12,035.69	12,035.69	10,149.04	10,149.04	11,241.05	11,241.05
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	7,387.03	8,495.09	9,148.66	10,520.96	10,504.84	12,080.57	14,470.93	16,641.57
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	18,116.33	20,833.78	7,594.19	8,733.32	5,748.21	6,610.44	5,820.90	6,694.04
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**25,503.37**	**29,328.87**	**16,742.85**	**19,254.27**	**16,253.05**	**18,691.01**	**20,291.84**	**23,335.61**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	26,634.93	19,976.20	26,146.22	19,609.67	30,473.56	22,855.17	30,969.27	23,226.95
11	Other cash inflows	43,105.03	32,328.77	65,912.15	49,434.11	56,231.38	42,173.54	20,987.85	15,740.89
12	**Total cash inflows**	**69,739.96**	**52,304.97**	**92,058.37**	**69,043.78**	**86,704.94**	**65,028.70**	**51,957.12**	**38,967.84**

		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	21,984.44	12,035.69	10,149.04	11,241.05
14	Total net cash outflows	7,332.22	4,813.57	4,672.75	5,833.90
15	Liquidity coverage ratio (%)	299.83%	250.04%	217.20%	192.68%

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	High Quality Liquid Assets (HQLA)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	21,984.44	21,984.44	12,035.69	12,035.69	10,149.04	10,149.04	11,241.05	11,241.05
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	Total HQLA	**21,984.44**	**21,984.44**	**12,035.69**	**12,035.69**	**10,149.04**	**10,149.04**	**11,241.05**	**11,241.05**

The Liquidity Coverage Ratio (LCR) was not applicable to the Company for the financial year 2020-21 as the asset size of the Company was less than ₹ 5,000 crores.

The LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered High-Quality Liquid Assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

HQLA primarily includes cash on hand, bank balances in current accounts.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines requires NBFCs to maintain minimum LCR of 50% as on 31 March 2022 which is gradually required to be increased to 100% by 1 December 2024.

58. DISCLOSURE IN ACCORDANCE WITH RBI NOTIFICATION NO. RBI/2020-21/17 DOR.NO.BP. BC/4/21.04.048/2020-21 DATED 6 AUGUST 2020 AND RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 DATED 5 MAY 2021 ARE AS FOLLOWS:

(₹ In Lakhs)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2022	Year ended 31 March 2021
No. of accounts restructured*	424	425
Amount**	1,590.09	446.20

* Cumulative no. of accounts restructured having outstanding as on date

** Including MRR portion on assigned loans

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

(₹ In Lakhs)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	26.40	-	-	26.40
	Provision thereon*	-	6.21	-	-	6.21
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	(0.96)	-	-	(0.96)
	Provision thereon*	-	(1.36)	-	-	(1.36)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	25.44	-	-	25.44
	Provision thereon*	-	4.85	-	-	4.85

'+ Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

* Provisions considered as per ECL.

59. INFORMATION AS REQUIRED IN TERMS OF PARAGRAPH 19 OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

Liabilities side :

59.1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ In Lakhs)

		Year ended 31 March 2022	
		Amount outstanding	Amount overdue
(a) Debentures	: Secured	38,482.47	-
	: Unsecured	14,017.67	-
(other than falling within the meaning of Public deposits*)			
(b) Deferred credits		-	-
(c) Term loans		2,18,353.10	-
(d) Inter-corporate loans and borrowing		-	-
(e) Commercial paper		-	-
(f) Other loans:			
From banks		1,52,536.11	-

*Please see note 1 below

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

59.2 Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)

(₹ In Lakhs)

(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

*Please see note 1 below

Assets side:

59.3 Break-up of loans and advances including bills receivables (other than those included In (4) below)

(₹ In Lakhs)

Particulars	Amount outstanding
(a) Secured	3,32,180.00
(b) Unsecured	1,23,230.90

59.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities

(₹ In Lakhs)

Particulars	Amount outstanding
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	NA
(b) Operating lease	NA
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	NA
(b) Repossessed assets	NA
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	178.54
(b) Loans other than (a) above	NA

59.5 Break-up of investments :

(₹ In Lakhs)

		Amount outstanding
Current investments :		
1 Quoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		4,113.03
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (please specify)		-
2 Unquoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		1,097.47
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (please specify)		-

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

		Amount outstanding
Long term investments :		
1 Quoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		26,017.87
(iii) Units of mutual funds		463.25
(iv) Government securities		-
(v) Others (Alternate investment fund and pass through certificates)		17,684.26
2 Unquoted :		
(i) Shares :	(a) Equity	2,220.83
	(b) Preference	2,264.53
(ii) Debentures and bonds		-
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (please specify)		-

59.6 Borrower group-wise classification of assets financed as in 59.3 and 59.4 above:

(₹ In Lakhs)

Please see Note 2 below	Amount net of provisions		Amount outstanding
Category	**Secured**	**Unsecured**	**Total**
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	3,27,689.39	1,17,701.89	4,45,391.28
Total	**3,27,689.39**	**1,17,701.89**	**4,45,391.28**

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

Please see note 3 below (₹ In Lakhs)

Category	Market value / break up or fair value or NAV	Book value (net of provisions)
1. Related parties **		
(a) Subsidiaries (refer note below)	4,984.34	4,485.36
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	49,320.66	49,320.66
Total	**54,305.00**	**53,806.02**

** As per Ind AS issued by Ministry Of Corporate Affairs (refer note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on 31 March 2022.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

59.8 Other information

(₹ In Lakhs)

	Amount outstanding
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	10,489.40
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	6,019.61
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (at fair value in the case of Ind AS) in (5) above.

60. DISCLOSURES AS REQUIRED IN TERMS OF RBI NOTIFICATION NO. DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 DATED 13 MARCH 2020 ON IMPLEMENTATION OF IND AS ARE MENTIONED AS BELOW :

As at 31 March 2022

(₹ In Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	4,40,162.23	4,517.13	4,35,645.09	1,745.82	2,771.31
	Stage 2	9,053.00	1,029.43	8,023.57	168.29	861.14
Subtotal		**4,49,215.23**	**5,546.57**	**4,43,668.66**	**1,914.11**	**3,632.46**
Non-performing assets ("NPA")						
Substandard	Stage 3	10,489.40	4,469.79	6,019.61	1,079.14	3,390.65
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**10,489.40**	**4,469.79**	**6,019.61**	**1,079.14**	**3,390.65**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	4,500.00	3.26	4,496.74	-	3.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**4,500.00**	**3.26**	**4,496.74**	**-**	**3.26**
Total	Stage 1	4,44,662.23	4,520.39	4,40,141.84	1,745.82	2,774.57
	Stage 2	9,053.00	1,029.43	8,023.57	168.29	861.14
	Stage 3	10,489.40	4,469.79	6,019.61	1,079.14	3,390.65
Grand total		**4,64,204.63**	**10,019.62**	**4,54,185.01**	**2,993.25**	**7,026.37**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

As at 31 March 2021

(₹ In Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	3,70,475.42	5,839.61	3,64,635.81	1,497.24	4,342.37
	Stage 2	7,926.39	1,594.45	6,331.94	30.92	1,563.53
Subtotal		**3,78,401.81**	**7,434.06**	**3,70,967.75**	**1,528.16**	**5,905.90**
Non-performing assets ("NPA")						
Substandard	Stage 3	6,442.50	2,487.60	3,954.90	722.03	1,765.57
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,442.50**	**2,487.60**	**3,954.90**	**722.03**	**1,765.57**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	135.00	0.18	134.82	-	0.18
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**135.00**	**0.18**	**134.82**	**-**	**0.18**
Total	Stage 1	3,70,610.42	5,839.79	3,64,770.63	1,497.24	4,342.55
	Stage 2	7,926.39	1,594.45	6,331.94	30.92	1,563.53
	Stage 3	6,442.50	2,487.60	3,954.90	722.03	1,765.57
Grand total		**3,84,979.31**	**9,921.84**	**3,75,057.47**	**2,250.19**	**7,671.65**

* Computed on the value as per the IRACP norms.

The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2022 and 31 March 2021 and accordingly, no amount is required to be transferred to impairment reserve.

The disclosure requirement of the policy for sales out of amortised cost business model portfolios of the Company is not applicable to the Company.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

61. THE DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION - MONITORING OF FRAUDS IN NBFCS ISSUED BY RBI DATED 29 SEPTEMBER 2016

There were no instances of frauds reported during the year ended 31 March 2022. (Previous year: 1 case amounting to ₹ 1,751.19 lakhs).

62. The Company has complied with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications'. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgrade of Non performing accounts. However, the Company has not opted for this deferment.

63. Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated financial statements of MAS Financial Services Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us and the other auditors in terms of their report referred to in other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** **Charge: INR 105.83 Lakhs for the year ended 31st March, 2022** **Provision: INR 10,494.69 as at 31st March, 2022** Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

Sr. No.	Key Audit Matter	Auditor's Response
	• Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 38.91% of ECL balances as at 31 March, 2022. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. Testing the design and operating effectiveness of the key controls over the application of the staging criteria. Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. Testing management's controls over authorisation and calculation of post model adjustments and management overlays. Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. Model calculations testing through re-performance, where possible. Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2	**Information Technology** **IT Systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications,

Sr. No.	Key Audit Matter	Auditor's Response
	IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and the changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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

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

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

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

a) Identify and assess the risks of material misstatement of the Consolidated 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.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

d) 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary company to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

We did not audit the financial statements of subsidiary included in the Consolidated financial statements, whose financial statements reflect [the figures reported below are before giving effect to consolidation adjustments] total assets of ₹ 28,998.62 Lakhs as at March 31, 2022, total revenues of ₹ 3,583 Lakhs, total net profit after tax of ₹ 456.49 Lakhs, total comprehensive income of ₹ 437.07 Lakhs and net cash outflows amounting to ₹ 799.74 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company or by subsidiary company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses 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 Holding Company and its subsidiary company.

   iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the

other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, 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 Holding Company or any of such subsidiary or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in consolidated financial statements,

a) The final dividend proposed in the previous year, declared and paid during the year by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act, as applicable.

c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, based on our report and on the consideration of the report of the other auditors on the separate financial statements and the other information of the subsidiary company included in the consolidated financial statements of the Group, we report that there are no qualifications or adverse remarks in these CARO reports.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHSC8730

Place: Ahmedabad
Date: May 4, 2022

"Annexure A" to the Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Holding Company and its subsidiary Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

OTHER MATTER

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, incorporated in India, is based solely on the corresponding reports of the auditors of such Company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHSC8730

Place: Ahmedabad
Date: May 4, 2022

Consolidated Balance Sheet

as at 31 March 2022

(₹ in Lakhs)

	Note no.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	28,756.38	98,711.42
Bank balance other than cash and cash equivalents	6	58,310.10	3,219.70
Trade receivables	7	104.63	223.34
Loans	8	4,79,980.90	4,06,330.95
Investments	9	49,320.66	20,158.38
Other financial assets	10	5,552.34	4,974.08
Total financial assets		**6,22,025.01**	**5,33,617.87**
Non-financial assets			
Income tax assets (net)	30	623.33	592.40
Deferred tax assets (net)	30	2,516.38	2,256.16
Property, plant and equipment	11(a)	1,293.47	1,144.80
Capital work-in-progress	11(d)	5,204.40	5,002.73
Right-of-use asset	11(c)	60.92	53.82
Intangible assets under development	11(e)	3.57	-
Other intangible assets	11(b)	22.34	9.25
Other non-financial assets	12	421.89	286.04
Total non-financial assets		**10,146.30**	**9,345.20**
Total assets		**6,32,171.31**	**5,42,963.07**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,458.69	727.85
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		155.43	100.92
Debt securities	14	36,203.05	31,411.52
Borrowings (other than debt securities)	15	3,93,997.42	3,13,866.80
Subordinated liabilities	16	13,721.55	5,996.55
Other financial liabilities	17	46,186.25	63,467.40
Total financial liabilities		**4,91,722.39**	**4,15,571.04**
Non-financial liabilities			
Current tax liabilities (net)	30	248.45	1,214.93
Provisions	18	716.51	396.97
Other non-financial liabilities	19	5,487.27	5,745.30
Total non-financial liabilities		**6,452.23**	**7,357.20**
Total liabilities		**4,98,174.62**	**4,22,928.24**
EQUITY			
Equity share capital	20	5,466.20	5,466.20
Other equity	21	1,26,285.68	1,12,521.87
Equity attributable to the owners of the Holding Company		**1,31,751.88**	**1,17,988.07**
Non-controlling interest		2,244.81	2,046.76
Total equity		**1,33,996.69**	**1,20,034.83**
Total liabilities and equity		**6,32,171.31**	**5,42,963.07**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in Lakhs)

		Note no.	Year ended 31 March 2022	Year ended 31 March 2021
I.	**Revenue from operations**			
	Interest income	22	60,167.61	51,770.11
	Gain on assignment of financial assets (Refer note 32)		6,562.91	9,125.69
	Fees and commission income		1,814.30	1,813.78
	Net gain on fair value changes	23	472.55	29.90
	Total revenue from operations		**69,017.37**	**62,739.48**
	Other income	24	**93.40**	**31.75**
	Total income		**69,110.77**	**62,771.23**
II.	**Expenses**			
	Finance costs	25	33,868.41	28,493.54
	Fees and commission expense		2,309.41	624.36
	Impairment on financial assets	26	3,527.36	8,136.23
	Employee benefits expenses	27	4,778.95	3,503.32
	Depreciation, amortization and impairment	28	207.14	257.24
	Others expenses	29	2,771.19	2,159.63
	Total expenses		**47,462.46**	**43,174.32**
	Profit before exceptional items and tax (I - II)		21,648.31	19,596.91
	Exceptional items		-	-
III.	**Profit before tax**		**21,648.31**	**19,596.91**
IV.	**Tax expense:**			
	Current tax	30	5,583.11	5,935.17
	Excess provision for tax relating to prior years	30	(50.76)	(0.29)
	Net current tax expense		**5,532.35**	**5,934.88**
	Deferred tax expense / (credit)	30	1.08	(890.40)
	Net tax expense		**5,533.43**	**5,044.48**
V.	**Profit for the year (III - IV)**		**16,114.88**	**14,552.43**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		(8.61)	75.21
	Income tax impact on above		2.17	(18.55)
	Total (A)		**(6.44)**	**56.66**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(1,029.62)	960.33
	Income tax impact on above		259.14	(241.70)
	Total (B)		**(770.48)**	**718.63**
	Other comprehensive income (A+B)		**(776.92)**	**775.29**
VII.	**Total comprehensive income for the year (V + VI)**		**15,337.96**	**15,327.72**
VIII.	**Profit for the year attributable to**			
	Owners of the Holding Company		15,930.76	14,436.01
	Non-controlling interest		184.12	116.42
IX.	**Other comprehensive income attributable to**			
	Owners of the Holding Company		(769.09)	765.41
	Non-controlling interest		(7.83)	9.88
X.	**Total comprehensive income attributable to**			
	Owners of the Holding Company		15,161.67	15,201.42
	Non-controlling interest		176.29	126.30
XI.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		29.14	26.41
	Diluted (₹)		29.14	26.41

See accompanying notes to the financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
HAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2020	5,466.20
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2020	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2021	**5,466.20**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2021	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**5,466.20**

(B) OTHER EQUITY

(₹ in Lakhs)

	Reserves and surplus					Other comprehensive income		Total
	Reserve u/s. 45-IC of RBI Act, 1934	Reserve fund u/s. 29-C of NHB Act, 1987	Equity component of compound financial instruments	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 1 April 2020	**14,522.00**	**314.96**	**10.72**	**42,695.48**	**28,381.53**	**(0.22)**	**7,317.50**	**93,241.97**
Profit for the year	-	-	-	-	14,436.01	-	-	14,436.01
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	54.03	-	-	54.03
Other comprehensive income (net of taxes)	-	-	-	-	-	-	4,790.18	4,790.18
Dividend distribution tax on equity dividend	-	-	-	-	(0.32)	-	-	(0.32)
Transfer to reserve u/s. 45-IC of RBI Act, 1934	2,870.06	-	-	-	(2,870.06)	-	-	-
Transfer to reserve u/s. u/s. 29-C of NHB Act,1987	-	66.83	-	-	(66.83)	-	-	-
Balance at 31 March 2021	**17,392.06**	**381.79**	**10.72**	**42,695.48**	**39,934.36**	**(0.22)**	**12,107.68**	**1,12,521.87**
Profit for the year	-	-	-	-	15,930.76	-	-	15,930.76
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	(7.19)	-	-	(7.19)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(656.55)	(656.55)
Final Dividend on equity shares	-	-	-	-	(819.93)	-	-	(819.93)
Interim Dividend on equity shares	-	-	-	-	(683.28)	-	-	(683.28)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	3,156.53	-	-	-	(3,156.53)	-	-	-
Transfer to reserve u/s. 29-C of NHB Act,1987	-	87.29	-	-	(87.29)	-	-	-
Balance at 31 March 2022	**20,548.59**	**469.08**	**10.72**	**42,695.48**	**51,110.90**	**(0.22)**	**11,451.13**	**1,26,285.68**

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

(₹ in Lakhs)

	Year ended 31 March 2022		Year ended 31 March 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		21,648.31		19,596.91
Adjustments for :				
Depreciation and amortisation	207.14		257.24	
Finance cost	33,868.41		28,493.54	
Impairment on financial assets	3,527.36		8,136.23	
(Profit) / loss on sale of property, plant and equipment	(0.16)		1.16	
Interest income	(60,167.61)		(51,770.11)	
Net gain on fair value changes	(285.53)		-	
Net gain on sale of investments measured at amortized cost	(23.28)		-	
Gain on derecognition of leased asset	(0.07)		(2.83)	
		(22,873.74)		**(14,884.77)**
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(1,225.43)		4,712.14
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Loans	(77,001.68)		(51,754.90)	
Trade receivables	118.71		(221.10)	
Advances received against loan agreements	797.27		(10,021.24)	
Bank balance other than cash and cash equivalents	(43.66)		21.16	
Other financial asset	(702.15)		(728.60)	
Other non-financial asset	(139.96)		106.99	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	785.35		15.99	
Other financial liabilities	(17,662.88)		(17,634.32)	
Other non-financial liabilities	(258.03)		(4,107.50)	
Provisions (Also refer note 34)	319.54	(93,787.49)	349.75	(83,973.77)
CASH GENERATED FROM / (USED IN) OPERATIONS		**(95,012.92)**		**(79,261.63)**
Interest income received	55,186.76		55,094.90	
Interest income on Investment measured at amortised cost	1,586.06		42.02	
Finance cost paid	(35,465.24)		(28,596.83)	
Income tax paid (net)	(6,529.74)	**14,777.84**	(5,089.20)	**21,450.89**
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(80,235.08)**		**(57,810.74)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipments and intangible assets, including capital advances	(533.63)		(201.41)	
Proceeds from sale of property, plant and equipments and intangible assets	0.39		0.10	
Change in Earmarked balances with banks and other free deposit	(55,046.74)		(3,048.26)	
Interest income from bank deposits	2,497.29		2,971.87	
Purchase of investments	(1,19,210.98)		(22,851.84)	
Redemption of investments	90,281.54		3,190.94	
Profit on redemption of long term investment	23.28		-	
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(81,988.85)**		**(19,938.60)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from debt securities and borrowings	2,06,090.11		1,29,110.00	
Repayments of debt securities and borrowings	(1,18,200.15)		(79,972.01)	
Net increase in working capital borrowings	5,938.22		22,848.29	
Repayment of lease liabilities	(51.97)		(106.43)	
Dividends paid including dividend distribution tax	(1,507.32)		(4.65)	
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**92,268.89**		**71,875.20**

Consolidated Statement of Cash Flows (contd.)

for the year ended 31 March 2022

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(69,955.04)**	**(5,874.14)**
Cash and cash equivalents at the beginning of the year	**98,711.42**	**1,04,585.56**
Cash and cash equivalents at the end of the year (refer note 1 below)	**28,756.38**	**98,711.42**

Notes:

(₹ in Lakhs)

		As at 31 March 2022	As at 31 March 2021
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	24.76	18.07
	(b) Balances with banks	25,035.14	51,169.78
	(c) Bank deposits with original maturity of 3 months or less	3,696.48	47,523.57
	Cash and cash equivalents as per the balance sheet	**28,756.38**	98,711.42

2 The above cash flow statement has been prepared under the "Indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 The Group as at 31 March 2022 has undrawn borrowing facilities amounting to ₹ 1,73,220.24 lakhs that may be available for future operating activities and to settle capital commitments.

4 Change in liabilities arising from financing activities

(₹ in Lakhs)

	31 March 2021	Cash flows	Non cash changes*	31 March 2022
Debt securities	31,411.52	5,000.00	(208.47)	36,203.05
Borrowings other than debt securities	3,13,866.80	80,828.18	(697.56)	3,93,997.42
Subordinated liabilities	5,996.55	8,000.00	(275.00)	13,721.55
Total liabilities from financing activities	**3,51,274.87**	**93,828.18**	**(1,181.03)**	**4,43,922.02**

	1 April 2020	Cash flows	Non cash changes*	31 March 2022
Debt securities	-	31,500.00	(88.48)	31,411.52
Borrowings (other than debt securities)	2,73,599.82	40,486.28	(219.30)	3,13,866.80
Subordinated liabilities	5,989.18	-	7.37	5,996.55
Total liabilities from financing activities	**2,79,589.00**	**71,986.28**	**(300.41)**	**3,51,274.87**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
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Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022

1. CORPORATE INFORMATION

MAS Financial Services Limited (the "Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited (hereinafter referred to as the "Group") are public companies domiciled in India. The Holding Company is registered as a non deposit taking non-banking finance company ("NBFC") with Reserve Bank of India ("RBI"). MAS Rural Housing & Mortgage Finance Limited is registered as a non deposit taking housing finance company ("HFC") with National Housing Bank ("NHB"). The Group is engaged in the business of providing Micro Enterprise Loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Commercial Vehicle loans ("CV"), loans to NBFCs, housing loans, commercial property loans and project loans for real estate projects to customers especially in the segment of affordable housing in rural and urban areas. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited and the National Stock Exchange of India Limited.

The Holding Company's registered office is at 6, Ground Floor, Narayan Chambers, behind Patang Hotel, Ashram Road, Ahmedabad - 380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance and principles of consolidation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Principles of consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on 'Consolidated Financial Statements' specified under Section 133 of the Act.

i) Subsidiary -

Subsidiary in an entity controlled by the Holding Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. 31 March 2022. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

v) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power as at	
				31 March 2022	31 March 2021
MAS Rural Housing & Mortgage Finance Limited	Subsidiary company	India	MAS Financial Services Limited	59.67%	59.67%

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on accrual basis, except for certain financial instruments which are measured at fair value as required by relevant Ind AS.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the "functional currency"). Amounts in the consolidated financial statements are presented in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Estimation of uncertainties relating to the global health pandemic from novel coronavirus 2019 ("COVID-19"):
The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the accounting estimates. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of standalone financial statements.

Judgements
In the process of applying the Group's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer note 3.8 and note 41.

ii) Effective interest rate ("EIR") method

The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

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

The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

e) Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

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Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

For further details on provisions and other contingencies refer note 3.16.

v) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

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

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

2.5 Presentation of the consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in note 3.8), transaction costs are added to, or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, the financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

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

ii) Financial assets measured at FVOCI

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

iii) Financial assets at FVTPL

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

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iv) Other equity investments

All other equity investments are measured at fair value, with value changes recognised in the statement of profit and loss, except for those equity investments for which the Holding Company has elected to present the value changes in other comprehensive income ("OCI").

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the EIR method.

3.4 Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Group changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual tenure of the assigned portfolio. Refer note 32 for details.

Further, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of the ECL principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

ECL are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Group records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. The calculation of ECLs

For retail loans

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD "Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time"

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS) % LGD = 1 – recovery rate

For retail asset channel ("RAC") and housing finance company ("HFC") loan portfolio

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework (International Regulatory Framework of Banks) for all the level of credit rating portfolio.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EAD and LGDs are reviewed. While at every year end, PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default

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probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments: When estimating ECL for undrawn loan commitments, the Group estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Group monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Group has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

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3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

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

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service

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income, due diligence & evaluation changes and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method. Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

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.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipment - 3 to 15 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is purchased or ready for its intended use.

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.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

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3.13 Impairment of non financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

  Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Retirement and other employee benefits

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life Insurance Corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax (i.e. profit attributable to the owners of the parent) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Holding Company when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

3.20 Repossessed asset

In the normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.21 Security Deposit

The security deposits received by the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Group uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Cash on hand	24.76	18.07
Balances with banks:		
In current / cash credit accounts (refer note 1 below)	25,035.14	51,169.78
Bank deposits with original maturity of 3 months or less (refer note 2 below)	3,696.48	47,523.57
Total cash and cash equivalents	**28,756.38**	**98,711.42**

Notes:

1. Balance amounting to ₹ 292.04 lakh represents balance with banks in earmarked account i.e. "unspent CSR account".
2. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
In current accounts (refer note 1 below)	10.73	28.27
Earmarked balances with banks:		
Unclaimed dividend bank balances (refer note 2 below)	63.03	1.83
In fixed deposit accounts:		
Deposits given as security against borrowings and other commitments	5,323.05	2,188.24
Bank deposits with original maturity of more than 3 months (refer note 3 below)	52,913.29	1,001.36
Total bank balance other than cash and cash equivalents	**58,310.10**	**3,219.70**

Notes:

1. Balance represents balance with banks in earmarked account i.e. 'collection and payout account'.
2. Balance amounting to ₹ 61.07 lakh was transferred to lien free "current account" after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility as at 31 March 2022.

7. TRADE RECEIVABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	104.63	223.34
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total bank balance other than cash and cash equivalents	**104.63**	**223.34**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous year: ₹ Nil).
2. There is no due by directors or other officers of the Group or any firm or private company in which any director is a partner, a director or a member.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	14.72	46.41	43.50	-	-	104.63
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2021

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	223.34	-	-	-	-	223.34
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8. LOANS

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(A) (I) Bills Purchased and Bills Discounted	-	4,088.81	4,088.81	-	-	-
Less: Impairment loss allowance	-	(30.70)	(30.70)	-	-	-
Total (A) (I)-Net	**-**	**4,058.11**	**4,058.11**	**-**	**-**	**-**
(A) (II) Term Loans - Gross	**4,63,069.27**	**13,235.52**	**4,76,304.79**	**3,86,070.97**	**20,698.02**	**4,06,768.99**
Less: Impairment loss allowance	-	(382.00)	(382.00)	-	(438.04)	(438.04)
(A) (II) Term loans	**4,63,069.27**	**12,853.52**	**4,75,922.79**	**3,86,070.97**	**20,259.98**	**4,06,330.95**
Total (A)-Net	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**
(B) (i) Secured by tangible assets	3,43,927.18	17,324.33	3,61,251.51	2,78,582.60	20,698.02	2,99,280.62
(ii) Unsecured	1,19,142.09	-	1,19,142.09	1,07,488.37	-	1,07,488.37
Total (B)-Gross	**4,63,069.27**	**17,324.33**	**4,80,393.60**	**3,86,070.97**	**20,698.02**	**4,06,768.99**
Less: Impairment loss allowance	-	(412.70)	(412.70)	-	(438.04)	(438.04)
Total (B)-Net	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(C) (I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Private Sector	4,63,069.27	17,324.33	4,80,393.60	3,86,070.97	20,698.02	4,06,768.99
Total (C)-Gross	**4,63,069.27**	**17,324.33**	**4,80,393.60**	**3,86,070.97**	**20,698.02**	**4,06,768.99**
Less: Impairment loss allowance	-	(412.70)	(412.70)	-	(438.04)	(438.04)
Total (C) (I) -Net	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total C(I) and C(II)	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person

Particulars	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 31 March 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	15.51	0.00%	18.11	0.00%
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

Notes:

1. Refer note no. 36(b) for loans to companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

8.1 An analysis of changes in the gross carrying amount of loans is given below*

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**3,95,184.48**	**9,555.51**	**6,540.89**	**4,11,280.88**	**3,52,437.13**	**9,648.94**	**6,384.58**	**3,68,470.65**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,76,788.64)	(2,740.99)	(2,319.67)	(2,81,849.30)	(2,07,420.43)	(2,148.40)	(379.85)	(2,09,948.68)
New assets originated (net of repayment)**	3,54,587.75	2,380.19	1,782.55	3,58,750.49	2,55,330.03	883.63	128.08	2,56,341.74
Transfers from Stage 1	(9,837.96)	4,599.10	5,238.86	-	(8,479.75)	7,136.44	1,343.31	-
Transfers from Stage 2	277.30	(2,825.85)	2,548.55	-	4,880.90	(5,914.56)	1,033.66	-
Transfers from Stage 3	28.21	-	(28.21)	-	29.62	0.63	(30.25)	-
Amounts written off	(21.37)	(84.68)	(3,110.99)	(3,217.04)	(1,593.02)	(51.17)	(1,938.64)	(3,582.83)
Gross carrying amount closing balance	**4,63,429.77**	**10,883.28**	**10,651.98**	**4,84,965.03**	**3,95,184.48**	**9,555.51**	**6,540.89**	**4,11,280.88**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 10)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA')which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Group has not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Group has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Group has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below:

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**5,977.70**	**1,894.16**	**2,516.95**	**10,388.81**	**2,287.71**	**1,949.70**	**1,936.03**	**6,173.44**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,083.21)	(384.54)	(150.56)	(2,618.31)	1,356.14	(888.79)	303.93	771.28
New assets originated (net of repayment)	3,450.27	230.48	926.75	4,607.50	3,736.38	276.37	47.97	4,060.72
Transfers from Stage 1	(2,707.39)	692.71	2,014.69	0.01	(1,671.37)	1,141.09	530.28	-
Transfers from Stage 2	2.13	(1,076.37)	1,074.24	-	276.93	(561.10)	284.17	-
Transfers from Stage 3	0.24	-	(0.24)	-	0.64	-	(0.64)	-
Amounts written off	(0.52)	(19.08)	(1,863.72)	(1,883.32)	(8.73)	(23.11)	(584.79)	(616.63)
ECL allowance - closing balance	**4,639.22**	**1,337.36**	**4,518.11**	**10,494.69**	**5,977.70**	**1,894.16**	**2,516.95**	**10,388.81**

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 3,217.04 lakh at 31 March 2022 (31 March 2021 : ₹ 3,582.83 lakh).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default and macro economic factors due to estimated impact of COVID-19 pandemic. The extent to which COVID-19 pandemic will impact current estimates of ECL is uncertain at this point of time. The Group has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor in the potential impact of COVID-19 on impairment allowances. For further details, refer note no. 43.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Group's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Group's internal grades are explained in note 43.1.

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grade								
Performing								
High quality assets	4,63,429.77	-	-	4,63,429.77	3,95,184.48	-	-	3,95,184.48
Quality assets	-	5,311.68	-	5,311.68	-	4,420.78	-	4,420.78
Standard assets	-	5,571.60	-	5,571.60	-	5,134.73	-	5,134.73
Non- performing								
Sub standard assets	-	-	5,160.65	5,160.65	-	-	2,721.61	2,721.61
Low quality assets	-	-	5,491.33	5,491.33	-	-	3,819.28	3,819.28
Total	**4,63,429.77**	**10,883.28**	**10,651.98**	**4,84,965.03**	**3,95,184.48**	**9,555.51**	**6,540.89**	**4,11,280.88**

9. INVESTMENTS

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total
Investments						
Alternative investment funds	-	3,558.71	3,558.71	-	2,029.90	2,029.90
Pass through certificates under securitization transactions	14,125.55	-	14,125.55	6,564.03	-	6,564.03
Market linked debentures	-	26,296.65	26,296.65	-	11,566.97	11,566.97
Non - convertible debentures	4,931.71	-	4,931.71	-	-	-
Mutual fund units	-	463.25	463.25	-	-	-
Total – Gross (A)	**19,057.26**	**30,318.61**	**49,375.87**	**6,564.03**	**13,596.87**	**20,160.90**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	19,057.26	30,318.61	49,375.87	6,564.03	13,596.87	20,160.90
Total (B)	**19,057.26**	**30,318.61**	**49,375.87**	**6,564.03**	**13,596.87**	**20,160.90**
Less: Allowance for impairment loss (C)	(55.21)	-	(55.21)	(2.52)	-	(2.52)
Total – Net D= (A)-(C)	**19,002.05**	**30,318.61**	**49,320.66**	**6,561.51**	**13,596.87**	**20,158.38**

10. OTHER FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Security deposits	99.77	81.50
Interest accrued but not due on investments	67.37	2.20
Spread receivable on assigned portfolio	4,571.43	4,511.89
Advances to dealer	813.77	-
Interest Waiver Receivable From Banks	-	15.87
Ex-gratia interest amount under GOI scheme (net of ECL)	-	362.62
Total other financial assets	**5,552.34**	**4,974.08**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ In Lakhs)

Nature of assets	Property, plant and equipment (a)					Intangible assets (b)		
	Buildings	Office equipment	Furniture and fixtures	Vehicles	Total	Software	Other intangibles	Total
Cost								
As at 1 April 2020	**668.19**	**403.18**	**298.80**	**265.94**	**1,636.11**	**40.48**	**0.10**	**40.58**
Additions	-	16.89	-	-	16.89	3.13	-	3.13
Disposals	-	32.01	-	-	32.01	-	-	-
As at 31 March 2021	**668.19**	**388.06**	**298.80**	**265.94**	**1,620.99**	**43.61**	**0.10**	**43.71**
Additions	-	127.18	55.15	122.59	304.92	18.97	-	18.97
Disposals	-	0.70	-	-	0.70	-	-	-
As at 31 March 2022	**668.19**	**514.54**	**353.95**	**388.53**	**1,925.21**	**62.58**	**0.10**	**62.68**
Depreciation/amortisation								
As at 1 April 2020	**31.92**	**164.92**	**54.79**	**101.57**	**353.20**	**28.77**	**0.01**	**28.78**
Depreciation/amortization charge	11.44	71.29	30.57	40.44	153.74	5.67	0.01	5.68
Disposal	-	30.75	-	-	30.75	-	-	-
As at 31 March 2021	**43.36**	**205.46**	**85.36**	**142.01**	**476.19**	**34.44**	**0.02**	**34.46**
Depreciation/amortization charge	11.44	68.46	31.14	44.98	156.02	5.87	0.01	5.88
Disposal	-	0.47	-	-	0.47	-	-	-
As at 31 March 2022	**54.80**	**273.45**	**116.50**	**186.99**	**631.74**	**40.31**	**0.03**	**40.34**
Net block value:								
At 31 March 2021	624.83	182.60	213.44	123.93	1,144.80	9.17	0.08	9.25
At 31 March 2022	**613.39**	**241.09**	**237.45**	**201.54**	**1,293.47**	**22.27**	**0.07**	**22.34**

Note: No revaluation of any class of asset is carried out during the year.

11 (c) Right-of-use Asset

The details of the right-of-use asset held by the Group is as follows:

(₹ In Lakhs)

Office Premises	
As at 1 April 2020	290.83
Additions	-
Disposals	24.69
As at 31 March 2021	**266.14**
Additions	52.66
Disposals	0.58
As at 31 March 2022	**318.22**
Depreciation	
As at 1 April 2020	123.18
Additions	97.81
Disposals	8.67
As at 31 March 2021	**212.32**
Additions	45.24
Disposals	0.26
As at 31 March 2022	**257.30**
Net Block Value:	
As at 31 March 2021	53.82
As at 31 March 2022	**60.92**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

11 (d) CAPITAL WORK IN PROGRESS

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 146.29 lakhs (31 March 2021: ₹ 181.39 lakhs). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.39%.

(₹ In Lakhs)

Capital work-in-progress	
As at 1 April 2020	4,821.34
Additions	181.39
Disposals	-
As at 31 March 2021	**5,002.73**
Additions	201.67
Disposals	-
As at 31 March 2022	**5,204.40**

Capital work in progress aging schedule

(₹ In Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	201.67	181.39	256.92	4,564.42	5,204.40
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021					
Projects in progress	181.39	256.92	33.92	4,530.51	5,002.74
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule

(₹ In Lakhs)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
MAS headquarters	-	-	-	5,193.56	5,193.56
As at 31 March 2021					
MAS headquarters	-	-	-	5,002.73	5,002.73

11 (e) Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	
As at 1 April 2020	-
Additions	-
Disposals	-
As at 31 March 2021	**-**
Additions	3.57
Disposals	-
As at 31 March 2022	**3.57**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Intangible assets under development aging schedule

(₹ In Lakhs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	3.57	-	-	-	3.57
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

12. OTHER NON-FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	139.32	10.32
Advances to employees	15.38	16.61
Re-possessed assets	178.54	176.00
Balance with Government Authorities	29.91	19.12
Capital advances	4.50	-
Gratuity fund [refer note 40(b)]	8.10	4.79
Other advances	46.14	59.20
Total	**421.89**	**286.04**

13. PAYABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,458.69	727.85
(b) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	155.43	100.92
Total	**1,614.12**	**828.77**

Trade Payables aging schedule

(₹ In Lakhs)

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	
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	1,256.22	178.73	22.46	1.28	1,458.69
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2021					
(i) MSME	-	-	-	-	-
(ii) Others	699.62	26.95	-	1.28	727.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	-	-
- Interest on above	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

14. DEBT SECURITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Secured debentures (refer note 14.1)		
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
- 500, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	5,000.00
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
Market Linked debenture	36,500.00	6,500.00
Less: Unamortised borrowing costs	(296.95)	(88.48)
Total	**36,203.05**	**31,411.52**
Debt securities in India	36,203.05	31,411.52
Debt securities outside India	-	-
Total	**36,203.05**	**31,411.52**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

14.1 Details of terms of redemption/repayment in respect of debt securities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Debentures				
1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency: Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
500, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	5,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	6,500.00	6,500.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**36,500.00**	**31,500.00**		

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Term loans (refer note no. 15.1)		
(i) from banks	1,98,984.55	1,29,733.83
(ii) from NHB	1,302.45	1,605.41
(iii) from other parties (financial institutions)	37,485.84	36,546.85
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	26,586.90	34,346.53
(c) Short term loans		
(i) from banks	1,26,494.07	1,12,796.22
(d) Borrowing under securitisation	5,003.21	-
Less: Unamortised borrowing costs	(1,859.60)	(1,162.04)
Total	**3,93,997.42**	**3,13,866.80**
Secured	3,91,514.32	3,11,387.53
Unsecured	2,483.12	2,479.27
Total	**3,93,997.44**	**3,13,866.80**
Borrowings in India	3,93,997.44	3,13,866.80
Borrowings outside India	-	-
Total	**3,93,997.44**	**3,13,866.80**

Note:

For cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Group and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Group's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 2.90% p.a to 11.00% p.a as at 31 March 2022.

Interest rate ranges from 7.65% p.a to 12.00% p.a as at 31 March 2021.

The Group has not defaulted in repayment of borrowings and interest.

The Group has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts of the Group.

The carrying amount of financial assets which is hypothecated against secured borrowing inclusive of margin requirement ranging from 1.00 times to 1.25 times is amounting to ₹ 4,81,497.41 lakhs (31 March 2020: ₹ 4,09,016.39 lakhs)

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

15.1 Details of terms of repayment in respect of term loans:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from Bank (Refer note i)				
Term Loan - 1	1,600.00	2,400.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	9,166.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	-	0.58	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Holding Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	6,399.17	8,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Holding Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	13,500.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	20,000.00	-	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 7	3,500.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	9,497.65	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the Holding company out of the proposed term loan to the company.
Term Loan - 9	5,454.57	7,500.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 10	5,000.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 11	-	626.39	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 12	-	778.57	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 12	1,580.56	1,914.10	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	728.91	1,958.22	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 15	269.20	522.58	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 16	1,076.79	2,090.32	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 17	448.66	870.97	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 18	500.00	750.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 19	2,000.00	3,000.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 20	833.33	1,250.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 21	583.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 22	2,333.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 23	972.22	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 24	687.54	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 25	2,750.14	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 26	1,145.89	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 27	-	208.33	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Holding Company's book debts and loan installments receivables.
Term Loan - 28	2,666.67	4,000.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed.
Term Loan - 29	-	4,583.33	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Holding Company.
Term Loan - 30	-	2,536.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	1,825.25	7,272.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 32	7,784.85	10,000.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	10,000.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	5,000.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	4,165.85	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	166.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	416.67	1,250.00	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 38	750.00	3,750.00	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 39	734.57	4,879.76	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Holding Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	2,599.96	5,200.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 41	7,649.91	12,750.00	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	1,500.00	2,000.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	11,043.60	15,489.46	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	8,421.05	5,000.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	3.83	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.
Term Loan - 46	28,500.00	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 47	-	250.00	Repayment in 8 Quarterly Instalments from 27 March 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 48	-	1,515.63	Repayment in 8 Quarterly Instalments from 27 December 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 49	1,000.00	1,500.00	Repayment in 36 Monthly Instalments from 03 April 2021	The Term loan shall be secured by exclusive hypothecation of present & future loan receivables of the Subsidiary company created out of the loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 50	285.42	810.42	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 51	125.00	375.00	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 52	125.00	291.67	Repayment in 24 Quarterly Instalments beginning from 31 July 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 53	104.17	187.50	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 54	250.00	416.67	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 55	666.95	902.09	Repayment in 57 Monthly Instalments starting from 30 October 2020	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 56	2,878.71	2,000.00	Repayment in 60 Monthly Instalments starting from 30 July 2021	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 57	-	107.14	Repayment in 28 Quarterly Instalments from 30 April 2014	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 58	20.83	104.17	Repayment in 24 Quarterly Instalments beginning from 30 June 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 59	540.90	713.35	Repayment in 24 Quarterly Instalments starting from 31 January 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 60	290.02	419.71	Repayment in 24 Quarterly Instalments starting from 30 September 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 61	702.32	965.13	Repayment in 24 Quarterly Instalments from 31 December 2020	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 62	1,185.93	1,510.74	Repayment in 24 Quarterly Instalments from 30 June 2021	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 63	-	831.13	Repayment in 10 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 64	1,311.77	1,914.84	Repayment in 26 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 65	-	37.50	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Subsidiary company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 66	-	87.43	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Subsidiary company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 67	375.00	541.67	Repayment in 24 Quarterly Instalments from 31 March 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 68	-	166.52	Repayment in 36 monthly Instalments from 30 April 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 69	2,222.22	3,333.33	Repayment in 18 Quarterly Instalments from 30 June 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 70	849.70	-	Repayment in 20 Quarterly Instalments from 25 September 2021	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the company Subsidiary Company should maintain 1.10 time security cover of outstanding amount of term loan on continuous basis during the tenure of term loan. Personal Guarantee of Mr. Kamlesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 71	2,000.00	-	Repayment in 10 Quarterly Instalments from 25 June 2022	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary company out of the bank finance to the Subsidiary company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 72	964.28	-	Repayment in 28 Quarterly Instalments from 31 March 2022	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Subsidiary company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi.
Total term loans from banks	**1,98,984.55**	**1,29,733.83**		

Note (i):
Interest rate ranges from 7.80% p.a to 10.30% p.a as at 31 March 2022.
Interest rate ranges from 7.75% p.a to 10.75% p.a as at 31 March 2021.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from NHB (Refer note ii)				
Term Loan from NHB - 1	176.09	227.41	Repayment in 39 Quarterly Instalments from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 2	190.65	246.22	Repayment in 39 Quarterly Instalments from 01 October 2017	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 3	158.50	179.10	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 4	40.00	70.00	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 5	308.21	379.60	Repayment in 60 Quarterly Instalments from 01 July 2020	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan from NHB - 6	244.00	276.00	Repayment in 39 Quarterly Instalments from 01 October 2020	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 7	73.69	83.01	Repayment in 39 Quarterly Instalments from 31 July 2020	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 8	111.31	144.07	Repayment in 51 Quarterly Instalments from 01 July 2014	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary Company. Corporate Guarantee of MAS Financial Services Ltd.
Total term loans from NHB	**1,302.45**	**1,605.41**		

Note (ii):
Interest rate ranges from 4.68% p.a to 8.90% p.a as at 31 March 2022.
Interest rate ranges from 4.68% p.a to 8.90% p.a as at 31 March 2021.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from others (Refer note iii)				
Term Loans from a Financial Institution - 1	-	1,053.62	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Subsidiary Company.
Term Loans from a Financial Institution - 2	-	1,705.72	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	500.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	1,666.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 5	763.89	1,597.22	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 6	1,983.33	3,116.67	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 7	1,066.67	1,600.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 8	2,500.00	2,500.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	4,166.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	1,300.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standardbook debts of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	8,330.00	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standardbook debts of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	62.50	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	16,000.00	20,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan from Financial Institutions - 1	194.44	527.78	Repayment in 36 Monthly Instalments starting from 30 November 2019	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Financial Institutions - 2	583.33	916.67	Repayment in 36 Monthly Instalments starting from 31 January 2021	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Financial Institutions - 3	1,897.51	-	Repayment in 60 Monthly Instalments starting from 15 January 2022	Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL at a minimum cover of 1.10 times. Personal Guarantee of Mr. Kamlesh Gandhi.
Total term loans from others	**37,485.84**	**36,546.85**		

Note (iii):
Interest rate ranges from 5.75% p.a to 10.00% p.a as at 31 March 2022.
Interest rate ranges from 6.32% p.a to 11.15% p.a as at 31 March 2021.

Note:
The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to ₹ 5,003.21 lakh.

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Unsecured debentures (refer note no. 16.1)		
- 400, 14.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	4,000.00	4,000.00
- 200, 13.50% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	2,000.00
- 50, 10.75% Redeemable, Non-Convertible Debentures of ₹ 100,00,000 each	5,000.00	-
- 500, 10.75% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	5,000.00	-
Less: Unamortised borrowing costs	(278.45)	(3.45)
Total	**13,721.55**	**5,996.55**
Subordinated liabilities in India	13,721.55	5,996.55
Subordinated liabilities outside India	-	-
Total	**13,721.55**	**5,996.55**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

16.1 Details of terms of redemption/repayment in respect of subordinated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Subordinated liabilities				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	**4,000.00**	4,000.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	**-**	2,000.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	**5,000.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	**5,000.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
Total subordinated liabilities	**14,000.00**	**6,000.00**		

17. OTHER FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2,950.78	2,210.84
Interest accrued but not due on others	1,423.34	2,579.07
Dues to the assignees towards collections from assigned receivables	12,979.62	26,223.67
Security deposits received from borrowers	27,628.98	32,027.41
Advances received against loan agreements	810.14	12.87
Unpaid dividend on equity shares	1.96	1.83
Dealer advances	228.61	266.90
Lease liability	66.44	66.14
Provision for Interest on Interest waiver	-	78.67
Other payable	96.38	-
Total other financial liabilities	**46,186.25**	**63,467.40**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

18. PROVISIONS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (Refer note 40)		
Compensated absences	17.77	7.66
Provision for Gratuity	7.83	5.10
Provision for unspent CSR liability	690.91	384.21
Total provisions	**716.51**	**396.97**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	151.40	267.88
Unearned income on assigned loans	4,571.43	4,511.89
Income received in advance	764.44	965.53
Total other non-financial liabilities	**5,487.27**	**5,745.30**

20. EQUITY SHARE CAPITAL

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
Authorized shares:			
6,40,00,000	Equity Shares of ₹ 10 each (As at 31 March 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	6,400.00	6,400.00
2,20,00,000	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
2,20,00,000	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
400	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 100,000 each)	400.00	400.00
		11,200.00	**11,200.00**
Issued, subscribed and fully paid-up shares:			
5,46,62,043	Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	5,466.20	5,466.20
		5,466.20	**5,466.20**

20.1Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

20.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	62,86,833	11.50%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	27,64,059	5.06%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 Details of bonus shares issued during the five years immediately preceding the balance sheet date:

2,40,00,188 equity shares of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of general reserve and balance from the statement of profit and loss during the year ended 31 March 2017.

20.4 The Holding Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.5 Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per 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 case of interim dividend. In the event of liquidation of the Holding Company, the equity shareholders of the Holding Company will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

20.6 Details of shares held by promoters (including promoter group) of the Holding Company:

Promoter and promoter group name	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Equity shares					
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer note above)	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,04,508	11.53%	62,86,833	11.50%	0.28%
Prarthana Marketing Private Limited	13,12,557	2.40%	13,10,057	2.40%	0.19%
Anamaya Capital LLP	94,994	0.17%	94,994	0.17%	0.00%
Dhvanil K. Gandhi	34,619	0.06%	34,619	0.06%	0.00%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	0.00%

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Reserve under section 45-IC of Reserve Bank of India Act, 1934 (the "RBI Act, 1934")		
Outstanding at the beginning of the year	17,392.06	14,522.00
Additions during the year	3,156.53	2,870.06
Outstanding at the end of the year	**20,548.59**	**17,392.06**
Equity component of compound financial instruments- optionally convertible preference shares		
Outstanding at the beginning of the year	10.72	10.72
Add: Equity component of 6% OCPS issued during the period (net of tax)	-	-
Outstanding at the end of the year	**10.72**	**10.72**
Reserve fund under section 29C of The National Housing Bank Act, 1987 ("NHB Act")		
Opening balance		
a. Statutory reserve u/s 29C of NHB Act	1.80	1.80
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	379.99	313.16
c. Total	**381.79**	**314.96**
Addition / appropriation / withdrawal during the year		
Add:		
a. Amount transferred u/s 29C of the NHB Act	24.64	-
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	62.65	66.83
Less:		
a. Amount appropriated u/s 29C of NHB Act	-	-
b. Amount withdrawn from special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	-	-
Closing balance		
a. Statutory reserve u/s 29C of NHB Act	26.44	1.80
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	442.64	379.99
c. Total	**469.08**	**381.79**
Securities premium		
Outstanding at the beginning of the year	42,695.48	42,695.48
Additions during the year	-	-
Outstanding at the end of the year	**42,695.48**	**42,695.48**
Retained earnings		
Outstanding at the beginning of the year	39,934.36	28,381.53
Profit for the year	15,930.76	14,436.01
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	(7.19)	54.03
	55,857.93	**42,871.57**
Appropriations:		
Transfer to reserve under section 45-IC of the RBI Act,1934	(3,156.53)	(2,870.06)
Reserve u/s.29C of NHB Act and special reserve u/s 36(1)(viii) of Income-tax Act, 1961	(87.29)	(66.83)
Final dividend on equity shares	(819.93)	-
Interim dividend on equity shares	(683.28)	-
Dividend Distribution Tax ("DDT") on final equity dividend	-	(0.32)
Total appropriations	**(4,747.03)**	**(2,937.21)**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Retained earnings	**51,110.90**	**39,934.36**
Other comprehensive income		
Outstanding at the beginning of the year	12,107.46	7,317.28
Loans and advances through other comprehensive Income	(1,018.15)	950.63
Impairment on loans and advances through OCI	105.35	4,078.81
Income tax relating to items that will be reclassified to profit or loss	256.25	(239.26)
Other comprehensive income for the year, net of tax	**11,450.91**	**12,107.46**
Total other equity	**1,26,285.68**	**1,12,521.87**

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the RBI Act, 1934

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Reserve fund u/s. 29C of NHB Act

Special reserve has been created in terms of section 36(1) (viii) of the Income-tax Act, 1961 out of the distributable profits of the subsidiary company. As per section 29C of NHB Act, the subsidiary company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any special reserve created by the subsidiary company in termsof section 36(1) (viii) of the Income-tax Act, 1961 is considered an eligible transfer.

3 Equity component of compound financial instruments - optionally convertible preference shares

Equity component of compound financial instruments represents equity component of OCPS of subsidiary company.

4 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 the Act.

5 Retained earnings

Retained earnings is the accumulated available profit of the Group carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;

ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

6 Other comprehensive income

On equity investments

The Holding Company has elected to recognise changes in the fair value ofinvestments in equity securities in OCI. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from these reserves to retained earnings when the relevant equity securities are derecognised.

On loans and advances

The Group recognises changes in the fair value ofloans and advances in OCI. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Group transfers amounts from these reserves to retained earnings when the loans and advances are sold. Further, impairment loss allowances on the loans measured at FVOCI are recognised in OCI.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

21.2 Equity dividend paid and proposed

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2021: ₹ 1.5 per share (31 March 2020: ₹ Nil per share)	819.93	-
Interim dividend for 31 March 2022: ₹ 1.25 per share (31 March 2021 : ₹ Nil per share)	683.28	-
Total dividend paid	**1,503.21**	**-**

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	956.59	819.93

22. INTEREST INCOME

(₹ In Lakhs)

	Year ended 31 March 2022				Year ended 31 March 2021			
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On financial assets measured at FVOCI	On financial assets measured at amortised cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	52,411.80	2,402.27	-	54,814.07	44,301.59	2,992.18	-	47,293.77
Interest income from investments	-	1,121.39	529.84	1,651.23	-	41.45	-	41.45
Interest on deposits with banks	-	2,497.29	-	2,497.29	-	2,971.87	-	2,971.87
Other interest income	292.76	912.26	-	1,205.02	586.96	876.06	-	1,463.02
Total	**52,704.56**	**6,933.21**	**529.84**	**60,167.61**	**44,888.55**	**6,881.56**	**-**	**51,770.11**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss - Investments	472.55	29.90
Fair value changes:		
- Realised	187.02	29.90
- Unrealised	285.53	-
Total	**472.55**	**29.90**

24. OTHER INCOME

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net loss on derecognition of property, plant and equipment	0.16	(1.16)
Net gain on sale of investments measured at amortized cost	23.28	-
Gain on derecognition of leased asset	0.07	2.83
Income from non-financing activity	69.89	30.08
Total	**93.40**	**31.75**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on borrowings	24,223.73	21,389.61
Interest on debt securities	3,887.83	1,478.89
Interest on subordinated liabilities	1,019.79	790.00
Other interest expense	2,963.62	3,548.28
Other borrowing cost	1,768.00	1,274.52
Lease liability interest obligation	5.44	12.24
Total	**33,868.41**	**28,493.54**

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	131.17	4,087.92
- Expected credit loss (On financial instruments measured at amortised cost)	(25.34)	127.50
- Write off (net of recoveries)	3,120.24	3,566.87
- Loss on sale of repossessed assets	248.60	351.42
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	52.69	2.52
Total	**3,527.36**	**8,136.23**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	4,488.42	3,227.38
Contribution to provident fund and other funds	180.55	182.57
Gratuity expense (Refer note 40)	54.32	58.12
Staff welfare expenses	55.66	35.25
Total	**4,778.95**	**3,503.32**

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	156.02	153.75
Amortisation of intangible assets	5.88	5.68
Right-of-use asset depreciation	45.24	97.81
Total	**207.14**	**257.24**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

29. OTHER EXPENSES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	272.48	172.35
Rates and taxes	19.66	18.59
Stationery and printing	69.98	46.56
Telephone	61.09	60.71
Electricity	75.60	60.19
Postage and courier	74.59	42.64
Insurance	75.69	102.09
Conveyance	118.24	70.36
Travelling	171.70	55.83
Repairs and maintenance:		
Building	19.70	1.27
Others	147.47	72.32
Professional fees	596.55	504.41
Payment to auditors(refer note below)	52.65	66.47
Director's sitting fees	11.72	12.26
Legal expenses	56.83	49.99
Bank charges	142.61	147.39
Advertisement expenses	82.88	26.02
Sales promotion expenses	18.47	2.36
Recovery contract charges	39.49	47.97
Corporate social responsibility expenditure (Refer note 34)	440.87	417.64
Miscellaneous expenses	222.92	182.21
Total	**2,771.19**	**2,159.63**
Note: Payment to auditors (including taxes)		
As auditor		
Statutory audit	19.31	26.32
Limited review of quarterly results	23.81	29.43
Other services	7.57	10.53
Reimbursements of expenses	1.96	0.19
	52.65	**66.47**

30. TAX EXPENSES

The components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	5,583.11	5,935.17
Adjustment in respect of current income tax of prior years	(50.76)	(0.29)
Deferred tax	1.08	(890.40)
Total tax charge	**5,533.43**	**5,044.48**
Current tax	5,532.35	5,934.88
Deferred tax	1.08	(890.40)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021 is, as follows:

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before tax	21,648.31	19,596.91
Applicable tax rate	25.168%	25.168%
Computed tax expense	5,448.45	4,932.15
Tax effect of :		
Exempted income	(20.70)	(0.88)
Additional deduction	(25.64)	(15.44)
Non deductible items	200.53	115.87
Adjustment in respect of current income tax of prior years	(50.76)	(0.29)
Others	(18.45)	13.07
Tax expenses recognised in the statement of profit and loss	**5,533.43**	**5,044.48**
Effective tax rate	25.56%	25.74%

30.2 Deferred tax

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	2,256.16	1,626.01
Credit / (charge) for loans and advances through OCI	259.14	(241.70)
Credit / (charge) for remeasurement of the defined benefit liabilities	2.17	(18.55)
Credit / (charge) to the statement of profit and loss	(1.08)	890.40
At the end of year DTA / (DTL)	**2,516.39**	**2,256.16**

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

(₹ In Lakhs)

	As at 31 March 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(35.36)	(4.48)	-	(39.84)
Impact of fair value of assets	(365.55)	-	259.14	(106.41)
Income taxable on realised basis	20.13	(5.63)	-	14.50
Deferred tax on prepaid finance charges	9.10	(24.62)	-	(15.52)
Impairment on financial assets	2,615.31	39.89	-	2,655.20
Recognition of lease asset and right to use asset	4.31	(1.71)	-	2.60
Expenses allowable on payment basis	8.22	(4.53)	2.17	5.86
Total	**2,256.16**	**(1.08)**	**261.31**	**2,516.39**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 1 April 2020	Statement of profit and loss	OCI	As at 31 March 2021
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(35.15)	(0.21)	-	(35.36)
Impact of fair value of assets	(123.85)	-	(241.70)	(365.55)
Income taxable on realised basis	201.05	(180.92)	-	20.13
Deferred tax on prepaid finance charges	5.36	3.74	-	9.10
Impairment on financial assets	1,553.83	1,061.48	-	2,615.31
Recognition of lease asset and right to use asset	7.19	(2.88)	-	4.31
Expenses allowable on payment basis	17.58	9.19	(18.55)	8.22
Total	**1,626.01**	**890.40**	**(260.25)**	**2,256.16**

30.3 Current tax liabilities

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for tax [net of advance tax of ₹ 5,334.66 lakhs (31 March 2021 ₹ 4,720.24 lakhs)]	248.45	1,214.93

30.4 Income tax assets

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Income tax assets [net of provision for tax of ₹ 28,103.86 lakhs (31 March 2021 ₹ 22,294.09 lakhs)]	623.33	592.40

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to the owners of the Holding Company (basic)	15,930.76	14,436.01
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	29.14	26.41

(B) Diluted earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to the owners of the Holding Company (diluted)	15,930.76	14,436.01
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	29.14	26.41

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

32. AMORTISING THE GAIN ON ASSIGNMENT OF FINANCIAL ASSETS OVER THE RESIDUAL TENURE INSTEAD OF BOOKING UPFRONT:

Disclosure requirement as per para 20 of Ind AS 1 'Presentation of Financial Statements' is as follows:

On derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Group is required to recognise the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

The Group is of view that the accounting treatment prescribed in Ind AS 109 inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio and will not present true and fair view of the entity's financial position, financial performance and cash flows. Therefore, the management of the Group has exercised their judgement under para 19 of Ind AS 1 and has departed from the aforementioned requirement of Ind AS 109. The Group is complying with the applicable Ind AS except for the particular requirement of Ind AS 109 as mentioned above.

As per current practice, such gains are recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio while related assets and liabilities are recorded at the fair value as per Ind AS requirement.

If the Group had complied with Ind AS 109, the financial impact on the following items [Increase / (decrease)] in the financial statements would have been as under:

(A) Impact on Statement of Profit and Loss items:

(₹ In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gain on assignment of financial assets	59.55	(3,461.49)
Profit before tax	59.55	(3,461.49)
Deferred tax expense / (Credit)	14.99	(871.19)
Profit after tax	44.56	(2,590.30)
Profit after tax attributable to Owners of the Parent	26.59	(1,545.52)
Profit after tax attributable to Non-controlling interest	17.97	(1,044.78)
Basic / Diluted EPS (₹)	0.05	(2.83)

(B) Impact on Balance Sheet items:

(₹ In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other equity	3,363.95	3,319.53
Other non-financial liabilities	(4,571.43)	(4,511.89)
Deferred tax asset	(1,105.40)	(1,139.10)
Non Controlling Interest	102.08	53.26

Further, NBFC industry body Finance Industry Development Council which is represented by more than 100 NBFCs is also of the same view.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
(A)	**Commitments**		
I)	Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	Property, plant & equipment and Capital work in progress	138.00	-
II)	Loan commitments for sanctioned but not disbursed amount	5,165.25	557.85

The Group's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Holding Company for the last three financial years was ₹ 22,043.33 lakhs, basis which the Holding Company was required to spend ₹ 440.87 lakhs towards CSR activities for the current financial year (31 March 2021: ₹ 417.64 lakhs).

a) Amount spent during the year on:

(₹ In Lakhs)

Particulars	31 March 2022			31 March 2021		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than above	42.00	398.87	440.87	33.43	384.21	417.64

b) The Holding Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of ongoing projects

(₹ In Lakhs)

F. Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Holding Company	In Separate CSR		From Holding Company's bank A/c	From Separate CSR Unspent A/c	With Holding Company	In Separate CSR Unspent A/c
2021-22	-	384.21	440.87	42.00	92.17	398.87	292.04
2020-21	Nil	N.A.	417.64	33.43	-	384.21	-

Note: Unspent CSR amount of ₹ 384.21 lakhs for FY 2020-21 was deposited in unspent CSR bank account on 28 April 2021. Unspent amount of ₹ 398.87 lakhs available with the Holding Company shall be transferred to an unspent CSR account by end of 30 April 2022.

d) Reason for shortfall: The Holding Company has ongoing projects and it is spending the said amount as per pre-approved ongoing projects. For more details, refer annexure of Director's report on CSR.

e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

35. SEGMENT REPORTING:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – 'Operating Segments'.

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - 'Related Party Disclosures'.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and managing director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole time director and chief financial officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Bala Bhaskaran (Independent director)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director)
		Mrs. Daksha Shah (Independent director)
2	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Mrs. Pauravi Umesh Shah (relative of KMP)
		Umesh Rajanikant Shah HUF

Transactions with related parties are as follows:

	Year ended 31 March 2022		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	414.94	78.67	493.61
Dividend paid	620.86	490.62	1,111.48
Sitting fees	10.20	-	10.20

	Year ended 31 March 2021		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	39.56	64.70	104.26
Dividend paid	3.13	0.98	4.11
Sitting fees	10.70	-	10.70

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Balances outstanding from related parties are as follows:

	As at 31 March 2022		
	Key management personnel	Other related parties	Total
Loans and advances given	15.51	-	15.51
Bonus payable	22.70	2.10	24.80

	As at 31 March 2021		
	Key management personnel	Other related parties	Total
Loans and advances given	18.11	-	18.11
Bonus payable	1.20	1.92	3.12

All transactions with these related parties are priced on an arm's length basis.

Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Transactions with key management personnel are as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Post-employment benefits	1.23	2.68
Other long term employment benefits	4.46	0.38
	5.69	**3.06**

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(b) Disclosures as per Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ In Lakhs)

Sr. No.	Name	As at 31 March 2022	Maximum balance out-standing during the year ended 31 March 2022	As at 31 March 2021	Maximum balance out-standing during the year ended 31 March 2021
1	M Power Micro Finance Private Limited	-	-	-	1,305.11

* The director interested in M Power Micro Finance Private Limited redeemed his holding on 23 October 2020 and hence, the disclosures made are of maximum balance outstanding up to that date.

37. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2022 and 31 March 2021. The column 'net amount' shows the impact of Group's balance sheet if all the set-off rights were exercised.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	Effect of offsetting on the balance sheet			Related amount not offset		
	Gross amounts	Gross amount off set in balance sheet (refer note 1)	Net amount presented in balance sheet	Advances received against loan agreements (refer note 1)	Financial instrument collateral (refer note 2)	Net amount
31 March 2022						
Loans and advances	4,80,617.20	636.30	4,79,980.90	9.65	29,047.83	4,50,923.42
31 March 2021						
Loans and advances	4,09,304.28	2,973.33	4,06,330.95	12.87	32,027.41	3,74,290.67

Note:

1. ₹ 645.94 lakhs (31 March 2021: ₹ 2,986.20 lakhs) represents advances received against loan agreements.
2. ₹ 29,047.83 lakhs (31 March 2021: ₹ 32,027.41 lakhs) represents security deposits received from borrowers.

38. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE ACT.

As at 31 March 2022

(₹ In Lakhs)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.30%	1,26,363.80	96.49%	15,549.13	97.50%	(757.51)	96.44%	14,791.62
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	4.02%	5,388.08	2.37%	381.63	1.49%	(11.58)	2.41%	370.05
Non-controlling interest	1.68%	2,244.81	1.14%	184.12	1.01%	(7.83)	1.15%	176.29
Total	**100.00%**	**1,33,996.69**	**100.00%**	**16,114.88**	**100.00%**	**(776.92)**	**100.00%**	**15,337.96**

As at 31 March 2021

(₹ In Lakhs)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.90%	1,13,916.42	97.52%	14,191.11	96.84%	750.79	97.49%	14,941.90
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	3.39%	4,071.65	1.68%	244.90	1.89%	14.62	1.69%	259.52
Non-controlling interest	1.71%	2,046.76	0.80%	116.42	1.27%	9.88	0.82%	126.30
Total	**100.00%**	**1,20,034.83**	**100.00%**	**14,552.43**	**100.00%**	**775.29**	**100.00%**	**15,327.72**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	28,756.38	-	28,756.38	98,711.42	-	98,711.42
Bank balance other than above	56,237.26	2,072.84	58,310.10	1,082.16	2,137.54	3,219.70
Trade Receivables	104.63	-	104.63	223.34	-	223.34
Loans	2,86,331.21	1,93,649.69	4,79,980.90	2,38,091.44	1,68,239.51	4,06,330.95
Investments	15,768.78	33,551.88	49,320.66	6,107.16	14,051.22	20,158.38
Other financial assets	4,387.65	1,164.69	5,552.34	4,109.10	864.98	4,974.08
Non-financial assets						
Income tax assets (net)	-	623.33	623.33	-	592.40	592.40
Deferred tax Assets (net)	-	2,516.38	2,516.38	-	2,256.16	2,256.16
Property, plant and equipment	-	1,293.47	1,293.47	-	1,144.80	1,144.80
Capital work-in-progress	-	5,204.40	5,204.40	-	5,002.73	5,002.73
Right-of-use asset	19.35	41.57	60.92	48.57	5.25	53.82
Intangible assets under development	-	3.57	3.57	-	-	-
Other Intangible assets	-	22.34	22.34	-	9.25	9.25
Other non-financial assets	421.89	-	421.89	286.04	-	286.04
Total assets	**3,92,027.15**	**2,40,144.16**	**6,32,171.31**	**3,48,659.23**	**1,94,303.84**	**5,42,963.07**
LIABILITIES						
Financial liabilities						
Trade payables	1,458.69	-	1,458.69	727.85	-	727.85
Other payables	155.43	-	155.43	100.92	-	100.92
Debt securities	6,464.63	29,738.42	36,203.05	24,976.34	6,435.18	31,411.52
Borrowings (other than debt securities)	2,45,880.32	1,48,117.10	3,93,997.42	2,14,545.84	99,320.96	3,13,866.80
Subordinated liabilities	4,000.00	9,721.55	13,721.55	1,996.55	4,000.00	5,996.55
Other financial liabilities	31,412.34	14,773.91	46,186.25	49,423.84	14,043.56	63,467.40
Non-financial liabilities						
Current tax liabilities (net)	248.45	-	248.45	1,214.93	-	1,214.93
Provisions	10.32	706.19	716.51	0.59	396.38	396.97
Other non-financial liabilities	4,084.18	1,403.09	5,487.27	4,528.29	1,217.01	5,745.30
Total liability	**2,93,714.36**	**2,04,460.26**	**4,98,174.62**	**2,97,515.15**	**1,25,413.09**	**4,22,928.24**
Net	**98,312.79**	**35,683.90**	**1,33,996.69**	**51,144.08**	**68,890.75**	**1,20,034.83**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

40. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Group's contribution to provident fund aggregating ₹ 150.98 lakhs (31 March 2021: ₹ 151.32 lakhs) and employee state insurance scheme aggregating ₹ 15.01 lakhs (31 March 2021: ₹ 17.81 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

The Group operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age / resignation date.

The defined benefit plans expose the Group to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Group, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
i.	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Present value of defined benefit obligations at the beginning of the year	305.34	315.96
	Current service cost	56.22	57.46
	Interest cost	20.36	21.28
	Benefit paid	(20.17)	(9.67)
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	Change in demographic assumptions	(7.43)	(7.07)
	Change in financial assumptions	(3.23)	-
	Experience adjustments	15.72	(72.62)
	Present value of defined benefit obligations at the end of the year	**366.81**	**305.34**
ii.	**Reconciliation of opening and closing balances of the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	305.03	271.59
	Interest income	22.27	20.62
	Return on plan assets excluding amounts included in interest income	(3.55)	(4.48)
	Contributions by employer	63.50	26.97
	Benefits paid	(20.17)	(9.67)
	Fair value of plan assets at the end of the year	**367.08**	**305.03**
iii.	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of defined benefit obligations at the end of the year	366.81	305.34
	Fair value of plan assets at the end of the year	367.08	305.03
	Net asset / (liability) recognized in balance sheet as at the end of the year	**0.27**	**(0.31)**
iv.	**Composition of plan assets**		
	100% of plan assets are administered by LIC.		

(₹ In Lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
v.	**Expense recognised during the Year**		
	Current service cost	**56.22**	57.46
	Interest cost	**(1.90)**	0.66
	Expenses recognised in the statement of profit and loss	**54.32**	**58.12**
vi.	**Other comprehensive income**		
	Components of actuarial gain/losses on obligations:		
	Due to change in financial assumptions	**(3.23)**	-
	Due to change in demographic assumption	**(7.43)**	(7.07)
	Due to experience adjustments	**15.72**	(72.62)
	Return on plan assets excluding amounts included in interest income	**3.55**	4.48
	Components of defined benefit costs recognised in other comprehensive income	**8.61**	(75.21)

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
vii. Principal actuarial assumptions		
Discount rate (per annum)	6.95%	6.85%
Rate of return on plan assets (p.a.)	6.95%	6.85%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	20.00%	10.00%
26 to 35	15.00%	8.00%
36 to 45	10.00%	6.00%
46 to 55	5.00%	4.00%
56 and above	5.00%	2.00%

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

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Defined benefit obligation (base)	**366.81**	305.34

(₹ In Lakhs)

	Year ended 31 March 2022		Year ended 31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	383.40	351.35	322.94	289.12
(% change compared to base due to sensitivity	4.52%	-4.21%	5.76%	-5.31%
Salary Growth Rate (- / + 0.5%)	354.03	380.40	291.64	319.83
(% change compared to base due to sensitivity)	-3.48%	3.70%	-4.49%	4.75%
Withdrawal Rate (W.R.) (W.R. x 90% / W.R. x 110%)	368.62	365.06	306.70	304.04
(% change compared to base due to sensitivity)	0.49%	-0.48%	0.45%	-0.43%

ix. Asset liability matching strategies

The Group contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on entity's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 11.31 to 11.88 years.

(₹ In Lakhs)

	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st following year	28.18	3.55%
2nd following year	29.19	3.85%
3rd following year	28.75	3.95%
4th following year	28.68	3.75%
5th following year	30.05	3.85%
Sum of years 6 to 10	157.51	18.75%

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 16.27 lakhs.

c) Other long term employee benefits

The liability for compensated absences as at the year ended 31 March 2022 is ₹ 17.77 Lakhs and as at year ended 31 March 2021 is ₹ 7.66 lakhs.

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

41. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Group has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures have been determined under level 1 using quoted market prices of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Lakhs)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,63,069.27	-	-	-	4,67,158.09	4,67,158.09
Investments measured at FVTPL	-	-	30,318.61	26,296.65	4,021.96	-	30,318.61
	-	**4,63,069.27**	**30,318.61**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	28,756.38	-	-	28,756.38	-	-	28,756.38
Bank balance other than cash and cash equivalents	58,310.10	-	-	58,310.10	-	-	58,310.10
Trade receivables	104.63	-	-	-	-	104.63	104.63
Loans measured at amortised cost	16,911.63	-	-	-	-	17,382.63	17,382.63
Investment measured at amortised cost	19,002.05	-	-	-	-	19,057.26	19,057.26
Other financials asset	5,552.34	-	-	-	-	5,547.90	5,547.90
	1,28,637.13	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	1,458.69	-	-	-	-	1,458.69	1,458.69
Other payables	155.43	-	-	-	-	155.43	155.43
Debt securities	36,203.05	-	-	-	-	38,322.32	38,322.32
Borrowings (other than debt securities)	3,93,997.42	-	-	-	-	3,97,014.78	3,97,014.78
Subordinated liabilities	13,721.55	-	-	-	-	14,019.98	14,019.98
Other financial liabilities	46,186.25	-	-	-	-	46,186.25	46,186.25
	4,91,722.39	**-**	**-**				

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

As at 31 March 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,86,070.97	-	-	-	3,86,070.96	3,86,070.96
Investments measured at FVTPL	-	-	13,596.87	11,566.97	2,029.90	-	13,596.87
	-	**3,86,070.97**	**13,596.87**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	98,711.42	-	-	98,711.42	-	-	98,711.42
Bank balance other than cash and cash equivalents	3,219.70	-	-	3,219.70	-	-	3,219.70
Trade receivables	223.34	-	-	-	-	223.34	223.34
Loans measured at amortised cost	20,259.98	-	-	-	-	26,854.16	26,854.16
Investment measured at amortised cost	6,561.51	-	-	-	-	6,564.03	6,564.03
Other financials asset	4,974.08	-	-	-	-	4,972.97	4,972.97
	1,33,950.03	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	727.85	-	-	-	-	727.85	727.85
Other payables	100.92	-	-	-	-	100.92	100.92
Debt securities	31,411.52	-	-	-	-	31,520.62	31,520.62
Borrowings (other than debt securities)	3,13,866.80	-	-	-	-	3,15,555.98	3,15,555.98
Subordinated liabilities	5,996.55	-	-	-	-	6,168.36	6,168.36
Other financial liabilities	63,467.40	-	-	-	-	63,467.40	63,467.40
	4,15,571.04	**-**	**-**				

[1] The Group has not disclosed the fair values for cash and cash equivalents, bank balances, investment in debt securities, interest accrued but not due on loans and advances, bank deposits and investment, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
i) Loans		
Balance at the beginning of the year	3,90,401.86	3,44,239.88
Addition during the year	3,54,151.18	2,54,996.90
Amount derecognised / repaid during the year	(2,73,149.78)	(2,06,374.59)
Amount written off	(3,010.64)	(3,420.66)
Gains/(losses) recognised in other comprehensive income	(1,029.62)	960.33
Balance at the end of the year	4,67,363.00	3,90,401.86

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Sensitivity analysis to fair value

(₹ In Lakhs)

	Amount, net of tax	
	Increase	Decrease
31 March 2022		
Loans		
Interest rates (50 bps movement)	(1,094.47)	1,106.83
31 March 2021		
Loans		
Interest rates (50 bps movement)	(762.19)	799.85

42 CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

42.1 Capital management

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

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

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(a) Loans and advances

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

The Group's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ In Lakhs)

	Carrying Amount	
	As at 31 March 2022	As at 31 March 2021
Retail assets	2,49,637.70	1,85,871.75
Two wheeler loans	25,978.81	19,548.15
Micro enterprise loans	1,05,089.78	88,992.95
Salaried personal loans	10,339.65	9,243.88
Small and medium enterprise loans	82,475.26	42,146.37
Commercial vehicle loans	4,725.65	4,146.64
Housing & non-housing loans	21,028.55	21,793.76
Loans to NBFC	2,34,348.41	2,23,097.68
Construction finance	978.92	2,311.45
Total	**4,84,965.03**	**4,11,280.88**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Group has staged the assets based on the days past due criteria and other market factors which significantly impacts the portfolio.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

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

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime Provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime Provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime Provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime Provision

(ii) Grouping:

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans
b. Micro enterprise loans
c. Salaried personal loans
d. Small and medium enterprise loans
e. Commercial vehicle loans
f. Retail asset channel loans
g. Housing & non-housing loans
h. Construction finance

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Group is validated in accordance with its ECL policy.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Group has worked out on PD based on the last five years historical data.

The PDs derived from the vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Group has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of five components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)
% LGD = 1 – recovery rate

For RAC and HFC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments and assignments of loans.

The Group has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. Further, the stage 3 EAD for the purpose of the ECL computation is considering when loan became Stage 3 for the first time (for retail loans).

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)
Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC and HFC loan portfolio, the Group has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Group, while for retail loan portfolio, the same has been calculated on collective basis.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Stage 1	1.00%	1.51%
Stage 2	12.29%	19.82%
Stage 3	42.42%	38.48%
Amount of expected credit loss provided for	**10,494.69**	**10,388.81**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables.

(iv) Impact assessment on account of COVID-19

In accordance with the board approved moratorium policy read with the RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Group continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group arising on account of COVID-19 and accordingly is providing for additional management overlay provision for such uncertainty. As at 31 March 2022, additional Expected Credit Loss (ECL) provision on loan assets as management overlay on account of COVID-19 stood at ₹ 4,083.66 lakh (31 March 2021: ₹ 5,954.19 lakh).

The additional ECL provision on account of COVID-19 is based on the Group's historical experience, collection efficiencies till date, internal assessment and other macro economic factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic.

(v) Modification of financial assets

The Group has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Group monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2022 is ₹ 1,842.56 lakhs (31 March 2021: ₹ 446.20 lakhs). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 221.53 lakhs as at 31 March 2022 (31 March 2021: ₹ 111.92 lakhs). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Group generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

43.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Group is ₹ 187,700.00 lakhs spread across 18 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Over the years, the Holding Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Holding Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

(₹ In Lakhs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2022									
Debt securities	-	-	-	-	7,658.97	35,710.89	-	-	43,369.86
Borrowings (Other than debt securities)	7,227.77	7,625.80	17,142.19	29,978.92	1,99,676.37	1,25,580.94	39,297.70	610.96	4,27,140.65
Subordinated liabilities	72.16	88.36	4,209.55	270.96	533.08	2,152.95	2,150.00	10,216.34	19,693.40
Payable	1,167.58	10.39	10.05	30.15	395.95	-	-	-	1,614.12
Lease Liability	3.70	2.27	2.28	5.87	9.89	31.89	22.57	-	78.47
Other financial liabilities	16,424.24	985.08	2,414.85	4,351.48	7,217.13	13,199.86	1,190.49	336.68	46,119.81

(₹ In Lakhs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 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
As at 31 March 2021									
Debt securities	-	-	-	2,250.00	26,110.59	7,629.52	-	-	35,990.11
Borrowings (Other than debt securities)	7,178.50	4,903.99	12,043.67	19,161.21	1,82,023.80	81,693.09	26,170.67	3,533.76	3,36,708.69
Subordinated liabilities	-	-	129.64	2,254.11	259.29	4,118.25	-	-	6,761.29
Trade payable	719.31	10.13	9.80	29.41	60.12	-	-	-	828.77
Lease Liability	10.46	6.16	7.44	18.05	19.31	6.62	0.76	-	68.80
Other financial liabilities	29,226.77	1,448.88	2,022.45	4,991.80	11,674.72	12,143.24	1,365.02	528.38	63,401.26

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

43.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Group.

(₹ In Lakhs)

Change in interest rates	Year ended 31 March 2022		Year ended 31 March 2021	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	26,296.65	26,296.65	11,566.97	11,566.97
Impact on profit before tax for the year	131.48	(131.48)	57.83	(57.83)
Variable rate lending	2,56,355.87	2,56,355.87	2,47,202.88	2,47,202.88
Impact on profit before tax for the year	1,274.70	(1,274.70)	1,230.80	(1,230.80)
Variable rate borrowings	3,74,853.82	3,74,853.82	2,88,673.44	2,88,673.44
Impact on profit before tax for the year	(1,883.05)	1,883.05	(1,445.18)	1,445.18

B. Foreign currency risk

The Group does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Group.

44. LEASE DISCLOSURE

Where the Group is the lessee

The Group has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Lakhs)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2022	As at 31 March 2021
Not later than one year	24.01	61.42
Later than one year and not later than five years	54.46	7.38
Later than five years	-	-
Total undiscounted lease liabilities	**78.47**	**68.80**
Lease liabilities included in the balance sheet		
Total lease liabilities	66.44	66.14

(₹ In Lakhs)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	5.44	12.24
Depreciation charge for the year	45.24	97.81
Expenses relating to short term leases	272.48	172.35

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

Amount recognised in statement of cash flow	Year ended 31 March 2022	Year ended 31 March 2021
Cash outflow towards lease liability	(51.97)	(106.43)

For addition and carrying amount of right to use asset for 31 March 2022 and 31 March 2021, refer note 11(c).

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

45. TRANSFER OF FINANCIAL ASSETS

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Securitisation		
Carrying amount of transferred assets	5,759.75	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	5,003.21	-
Fair value of assets (A)	5,750.45	-
Fair value of associated liabilities (B)	4,995.13	-
Net position at Fair Value (A-B)	755.31	-

45.2 Transferred financial assets that are derecognised in their entirety

The Group has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Direct assignment		
Carrying amount of de-recognised financial asset	1,13,291.87	1,33,633.96
Carrying amount of retained financial asset	15,297.75	15,573.67

45.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

46. No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

47. The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

48. The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

49. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

50. The Group has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2022 are held by the Group in the form of deposits or in current accounts till the time the utilisation is made subsequently.

51. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

52. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

54. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

55. The Group has not entered into any scheme of arrangement.

56. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Type of income		
Services charges	1.81	-
Others	1,830.83	1,832.21
Total revenue from contracts with customers	**1,832.64**	**1,832.21**
Geographical markets		
India	1,832.64	1,832.21
Outside India	-	-
Total revenue from contracts with customers	**1,832.64**	**1,832.21**
Timing of revenue recognition		
Services transferred at a point in time	1,832.64	1,832.21
Services transferred over time	-	-
Total revenue from contracts with customers	**1,832.64**	**1,832.21**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

57. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

58. Previous year figures have been regrouped / reclassified, wherever found necessary, to conform to current year classification.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Plan - Act - Achieve

EXCELLENCE THROUGH ENDEAVOURS

MAS FINANCIAL SERVICES LTD.

The Power of Distribution

MAS Financial Services Limited

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No. CARE/HO/RL/2024-25/3210

Mr. Ankit Jain
Chief Financial Officer
Mas Financial Services Limited
6, Ground Floor, Narayan Chambers, Behind Patang Hotel,
Nehru Bridge Corner, Ashram Road,
Ahmedabad
Gujarat 380009

November 14, 2024

Confidential

Dear Sir,

Credit rating for proposed Debt Issue / Non-Convertible Debentures

Please refer to our letter no. **CARE/HO/RL/2024-25/2756** dated September 30, 2024, and your request for revalidation of the ratings assigned to the long-term instruments of the company, for a limit of Rs.1,655.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
1.	Market Linked Debentures	100.00	CARE PP-MLD AA-; Stable	Reaffirmed
2.	Non-Convertible Debentures	1,155.00	CARE AA-; Stable	Reaffirmed
3.	Subordinated	400.00	CARE AA-; Stable	Reaffirmed

3. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

4. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

6. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
7. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
8. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Yash Bhalotia
Analyst
yash.bhalotia@careedge.in

Geeta Chainani
Associate Director
geeta.chainani@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Mas Financial Services Limited

October 03, 2024

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Non-Convertible Debentures	1,155.00	CARE AA-; Stable	Reaffirmed
Long-term bank facilities	8,000.00	CARE AA-; Stable	Reaffirmed
Market-linked debentures	100.00	CARE PP-MLD AA-; Stable	Reaffirmed
Bonds-Subordinated	400.00	CARE AA-; Stable	Reaffirmed
Commercial Paper	250.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities/instruments of MAS Financial Services Limited (MFSL) factors in continued growth momentum in overall business with scale up of asset under management (AUM) which stood at ~₹11,007 crore (consolidated) as on June 30, 2024, complimented by healthy credit profile, comfortable capitalisation levels and stable asset quality metrics. Ratings continue to factor in the strength from MFSL's long-standing track record in the lending business; experienced promoters and senior management team; diversification in loan book from direct lending for micro enterprise (ME) loans, small and medium enterprises (SMEs), two-wheeler loans, commercial vehicle (CV) loans, and recently started salaried personal lending book and tie-up with multiple non-banking financial companies (NBFCs) for sourcing business and co-lending agreements; established appraisal systems; comfortable capitalisation levels; diversified resource profile while also raising funds through direct assignment (DA) and co-lending routes, which have helped the company to scale up its AUM on a relatively lower net worth base and maintaining a comfortable liquidity profile.

Rating strengths are partially offset by its relatively concentrated customer profile; its exposure to ME and SME sectors, which are high-yield-generating and, at the same time, are relatively riskier; moderate geographical diversification, lower seasoning of the book, and moderate gearing levels.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant and consistent scale-up of operations and improved geographic diversification.
- Stable asset quality metrics.
- Improving financial performance with return on total assets (ROTA) of ~3.0% on a sustained basis.

Negative factors

- Weakening asset quality parameters, with net stage 3 to net non-performing assets (NS3/NNPA) of above 2% on a sustained basis.
- Overall gearing exceeding 4.5x or AUM (including co-lending and assignments) to networth exceeding 6.5x.
- Significantly declining profitability with ROTA below 1.0%.

[1]Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Analytical approach: Consolidated

CARE Ratings considered MFSL's consolidated financials, including its subsidiary, MAS Rural Housing and Mortgage Finance Limited (MRHMFL), in which MFSL holds 60.77% shareholding as on March 31, 2024.

List of companies consolidated given in Annexure-6

Outlook: Stable

The 'Stable' outlook is considering expectation of the company's ability to demonstrate consistent business growth while maintaining profitability and asset quality parameters.

Detailed description of key rating drivers:

Key strengths

Long-standing track record, promoters' experience in the lending business and experienced senior management team with established credit appraisal systems

MFSL's promoters have an established track record of over two decades in the lending business. MFSL initially started its lending activities in Gujarat and has currently established its footprint in 12 states. As on March 31, 2024, the company's network included 189 branches at a standalone level and 85 branches of its housing finance company (HFC) subsidiary in addition to 182 NBFC partnerships.

The company's operations are headed by Kamlesh C. Gandhi, Chairman and Managing Director with 30 years of experience in financial services sector. Promoters' shareholding stood at 66.63% as on June 30, 2024, against 73.73% as on March 31, 2024. MFSL's senior management team comprises experienced professionals who have been in the lending business and have been associated with the company since its inception. These personnel continue to head MFSL's main functions. The company established credit appraisal processes that is centralised, reviewed and revised if required at regular intervals based on experience in the market. Sanctions are accorded by the centralised credit team, whereas sourcing and collection functions are conducted at the branch level. Multiple checks are carried out at centralised units prior to disbursement.

Comfortable capitalisation with diversified resource base

The company has been maintaining comfortable capital adequacy over the years, largely through accretion of profits (average 3-year RONW: 14.01%) and its ability to raise capital at regular intervals. The company reported a capital adequacy ratio (CAR) of 24.05% with Tier-I CAR of 20.33% as on March 31, 2024, as compared to CAR of 25.25% with Tier-I CAR of 20.79% as on March 31, 2023, having comfortable cushion over the minimum regulatory requirement of 15% for CAR. Additionally, the company raised ~₹500 crore through qualified institutional placement (QIP) issuance in June 2024, post which CAR and Tier-I CAR improved to 28.59% and 25.39% as on June 30, 2024. CARE Ratings expects the overall capitalisation level to remain adequate in the medium term supported by its ability to securitise portfolio.

MFSL has been assigning part of its loan portfolio since past two decades (off-book constituting ~22% of AUM as on March 31, 2024, against stated plan to maintain off-balance sheet proportion up to 25% of AUM), which apart from internal accruals, helped the company raise resources and scale up its AUM while maintaining a relatively lower net worth base. The company's overall gearing and adjusted gearing[2] stood at 4.11x and 5.94x as on March 31, 2024, respectively, as compared to 4.02x and 5.58x as of March 31, 2023, respectively (PY: 3.27x and 4.84x respectively). Further, the gearing and adjusted gearing improved to 3.17x and 4.63x as on June 30, 2024, respectively, considering fresh QIP issuance of Rs. 500 crores in the month of June 2024. CARE Ratings expects consolidated gearing levels to remain below 4.5x on a steady state basis and consolidated AUM/net worth ratio (adjusted gearing) to remain below 6.5x on a steady state basis.

[2] Adjusted Gearing: AUM (including co-lending and assignments) to networth. Co-lending and DA comprised 100% of off book.

Over the years, MFSL developed a diversified resources profile with lender relationships comprising 40+ banks, NBFCs, and other financial institutions for meeting its borrowing requirements, through term loans [March 24: 54.23%], cash credits [March 24: 11.98%], capital market instruments [March 24: 10.12%], direct assignment (DA) of loans [March 24: 23.03%] and co-lending agreements [March 24: 0.64%] based on which MFSL is able to raise resources in a timely manner and at competitive rates of interest, providing significant financial flexibility to MFSL.

Diversified loan portfolio

The company's consolidated loan portfolio consists of ME loans, SME loans, two-wheeler loans, CV loans, salaried personal loans, and housing finance loans. MFSL was initially engaged in the lending of two-wheelers and ME loans, and later forayed in SME loans, CV loans, housing loans and salaried personal loans.

As on March 31, 2024, consolidated AUM stood at ₹10,721.90 crore (March 31, 2023: ₹8,505.89 crore) of which micro enterprise loans constituted 41% (FY23: 46%), SME Loans constituted 35% (FY23: 35%), two-wheeler loans constituted 6.25% (FY23: 6.52%), CV loans constituted 6.97% (FY23: 4.38%), salaried personal loans constituted 5.49% (FY23: 3.58%) and housing finance loans constituted ~5.56% (FY23: 4.86%) of AUM.

In FY23, the company started a new product, personal loans to salaried customers, which is sourced directly through fintech partners, as on March 31, 2024, its book stood at ₹588.86 crore, which is 5.5% of consolidated AUM. The company expects a cautious growth in this segment owing to evolving regulatory scenario in digital lending space. MFSL also assigns its loan portfolio to other lenders through securitisation and co-lending agreements; with off book comprising 22% of consolidated AUM as on March 31, 2024, as compared to 19% as on March 31, 2023. CARE Ratings expects that the off book will be maintained ~25% of consolidated AUM and deviation from this will be a negative sensitivity.

Comfortable asset quality parameters

The company witnessed a range bound gross stage 3 (GS3) ratio and NS3 ratio (on-book basis) ~2.42% and 1.48%, respectively, as on March 31, 2024, against 2.02% and 1.21%, respectively, as on March 31, 2023. Provision coverage ratio for NPA stood at 38.92% as on March 31, 2024, as compared to 40.20% as on March 31, 2023.

Total net stressed assets as a percentage of net advances (Net NPA + Net Restructured Accounts + Security Receipts) constituted 1.52% as on March 31, 2024 (PY: 1.46%) and net stressed assets as a percentage of net worth stood at 6.59% as on March 31, 2024 (PY: 6.29%). Slippages are mainly driven micro enterprise loan segment and SME loan segment. Asset quality remained comfortable due to lesser delinquencies in loans given to partner NBFCs, majority of which have a comfortable financial risk profile. Also, these loans are backed by security deposits in the form of cash collateral (CC) and corporate or personal guarantees taken by MFSL from partner NBFCs. Average collection efficiency for FY24 stood at 98.06% against 97.35% for FY23.

Stable financial risk profile

In FY24, the company witnessed a growth in disbursements, as the consolidated disbursement was ₹10,483 crore as compared to ₹9,317 crore in FY23. The company disbursed ~₹2,775 in Q1FY25 (PY: ₹2,335 crore). Consolidated total income increased to ₹1,290 crore in FY24 from ₹990 crore in FY23 and consolidated profit before tax (PBT) (excluding DA income) increased to ₹340 crore for FY24 from ₹272 crore for FY23 due to an increase in interest income. During Q1FY25, total income stood at ₹365 crore (PY: ₹292 crore) and PBT (excluding DA income) stood at ₹97 crore (PY: ₹77 crore).

Consolidated profit after tax (PAT) for FY24 was ₹254 crore as compared to ₹206 crore for FY23, showing a growth of 23%. Net income margin (NIM) at a consolidated level for FY24, stood at 4.91% as compared to 4.86% for FY23 and increased to 5.27% in Q1FY25 (PY: 4.82%). ROTA at a consolidated level for FY24, stood at 2.90% as compared to 2.88% for FY23. The Return on

managed assets[3] (ROMA) for FY24, after adjusting the off-book portfolio, stood at 2.38% as compared to 2.40% for FY23. During Q1FY25, return on total assets (ROTA) and return on managed assets (ROMA) stood around 2.93% and 2.37% respectively.

Key weaknesses

Moderately concentrated customer profile and geographical diversification

MFSL has a significant wholesale proportion of consolidated AUM – ~32% as on March 31, 2024, emanating from its relationships with NBFCs and MFIs. As a result, MFSL has high customer concentration with the top 10 exposures as on March 31, 2024, accounting for 36% of its tangible net worth (56% as on March 31, 2023) and 6% of its consolidated AUM (10.65% as on March 31, 2023). Although the present credit profile of the top exposures is moderate, deterioration in the credit quality of these exposures may lead to a sharp increase in MFSL's NPA levels. The company expects the proportion of indirect lending through its partner NBFCs to reduce in the medium term, credit quality of its large exposures will remain a key credit monitorable.

MFSL's lending activities are directly carried out in Gujarat (March 24: 44.81%), Rajasthan (March 24: 9.82%), Maharashtra (March 24: 16.93%), Madhya Pradesh (March 24: 5.03%), Karnataka (March 24: 8.31%), Tamil Nadu (March 24: 9.22%), Uttarakhand (March 24: 0.01%), Chhattisgarh (March 24: 0.18%), Delhi (March 24: 5.47%), Haryana (March 24: 0.09%), and Telangana (March 24: 0.13%). As on March 31, 2024, ~45% of MFSL's loan portfolio accounts to Gujarat as compared to 51% as on March 31, 2023 (PY: 52%), driven by operational familiarity of promoters with the Gujarat market, and the top three states comprised 72% of the loan portfolio as on March 31, 2024, as compared to 74% as on March 31, 2023 (PY: 73%).

In addition, a significant amount of MFSL's lending activities is carried out through its partner NBFCs helped the company to geographically diversify its exposure in other states. CARE Ratings expects the geographical concentration in these states to reduce gradually, as the company has been expanding its operations in existing and newer geographies.

Exposure to relatively riskier micro enterprises and SME sectors

MFSL's portfolio comprises retail products like ME loans, SME loans, two-wheeler loans, and CV loans, which are high-yield-generating, and relatively riskier in nature. MSME loan book constituted 76% of the overall AUM as on March 31, 2024, and 81% as on March 31, 2023, of which Micro Enterprises Loans is 41% (46% as on March 31, 2023) and SME Loans is 35% as on March 31, 2024 (35% as on March 31, 2023).

Furthermore, as on March 31, 2024, 68% of AUM was through direct sourcing as compared to 64% as on March 31, 2023 (PY: 53%), while the remaining 32% was through partner NBFCs as compared to 36% as on March 31, 2023 (PY: 47%). However, exposure through partner NBFCs is partly mitigated by 5-15% cash collateral and corporate or personal guarantees taken by MFSL from its partner NBFCs.

Liquidity: Adequate

MFSL's liquidity profile remained comfortable, considering the strong and diversified resource base and a good amount of unutilised bank limits. MFSL's standalone asset liability maturity (ALM) had no cumulative mismatches as on June 30, 2024.

As on June 30, 2024, MFSL's standalone debt repayments including interest (up to one year) stood at ₹3,973 crore against which expected portfolio inflows are ₹4,474 crore (excl. interest receivables) and free cash and cash equivalents of ~₹1,533 crore. Additionally, the company has undrawn lines of ₹2,231.96 crore, which provides comfort.

Assumptions/Covenants: Not Applicable

[3] Return on Managed Assets: Profit after tax to Adjusted Assets (total assets + off-book)

Environment, social, and governance (ESG) risks

The company adopted ESG in FY23 to establish objectives and targets in FY24. MFSL formed an ESG committee to implement and monitor activities related to environment, social, and governance aspects. The company endeavours to create awareness among all stakeholders on the importance of environment conservation and protection. The company also encourages promoting eco-friendly products across value-chains. The company is committed to optimise electricity/energy and water resources to reduce carbon and water footprints and minimise waste at all physical locations of the business. The company also strives to adopt renewable sources of energy wherever possible. The company's commitment lies in aligning its ESG efforts with business goals, implementing a comprehensive strategy for sustainability and long-term stakeholder value.

Applicable criteria

Consolidation
Financial Ratios - Financial Sector
Market Linked Notes
Non-Banking Financial Companies
Definition of Default
Rating Outlook and Rating Watch
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Non-Banking Financial Company (NBFC)

MFSL was incorporated in 1995 by Kamlesh Gandhi and Late Mukesh Gandhi. The company registered as an NBFC in 1998 with RBI. It was initially engaged in the lending of two-wheeler and ME loans, and later forayed in CV loans, SME loans, salaried personal loans, and housing loans. In 2008, MFSL floated a subsidiary, MRHMFL (rated 'CARE A; Positive), a non-deposit-taking, National Housing Bank (NHB) registered HFC, which provides housing loans to the low-income group segment in rural and semi-urban areas. MFSL's lending activities are carried out directly through its own network of 189 branches at a standalone level as on March 31, 2024, in Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Karnataka, Tamil Nadu, Uttarakhand, Chhattisgarh, Delhi including NCR, Haryana, Punjab, and Telangana, alongside other smaller NBFCs and MFIs. As on March 31, 2024, consolidated AUM stood at ₹10,721 crore (March 31, 2023: ₹8,506 crore), of which micro enterprise loans constituted 41% (FY23: 46%), SME Loans constituted 35% (FY23: 35%), two-wheeler loans constituted 6% (FY23: 6%), CV loans constituted 7% (FY23: 4%), salaried personal loans constituted 5% (FY23: 4%) and housing finance loans constituted ~6% (FY23: 5%) of AUM.
In June 2024, the company raised ~₹500 crore through QIP issue, which has been entirely used for lending purpose. MFSL's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Post which, the promoter shareholding declined from 73.73% to 66.63% as on June 30, 2024.

Brief Financials (₹ crore) - Consolidated	March 31, 2023 (A)	March 31, 2024 (A)	Q1FY25 (UA)*
Total income	990	1,290	365
PAT	206	254	73
Total Assets**	7,993	9,534	10,255
Net NPA (%) - Standalone	1.21	1.48	1.54
ROTA (%)	2.88	2.90	2.93

A: Audited; UA: Unaudited; *Annualised. Note: These are latest financial results available.
**Adjusted to intangible assets and deferred tax assets

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper - Proposed	NA	-	-	-	250.00	CARE A1+
Fund-based - LT-Cash Credit		-	-	-	1750.00	CARE AA-; Stable
Fund-based - LT-Term Loan		-	-	30-Jun-2027	6250.00	CARE AA-; Stable
Debentures-Market Linked Debentures	INE348L07142	01-Dec-2022	8.90%	03-Dec-2024	100.00	CARE PP-MLD AA-; Stable
Debentures-Non-Convertible Debentures	INE348L07159	28-Sept-2023	9.75%	28-Sept-2026	100.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures	INE348L07167	16-Jan-2024	8.60%	16-Jul-2025	100.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures	INE348L07175	21-Feb-2024	9.75%	21-Aug-2025	125.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures	INE348L07191	6-Jun-2024	8.55%	6-Dec-2025	100.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures	INE348L07209	21-Jun-2024	9.57%	21-Jun-2027	50.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures	INE348L07217	28-Aug-2024	8.35%	28-Feb-2026	150.00	CARE AA-; Stable
Debentures-Non-Convertible Debentures (Proposed)	-	-	-	-	530.00	CARE AA-; Stable
Bonds-Subordinated	INE348L08041	20-Oct-2021	10.75%	20-May-2027	50.00	CARE AA-; Stable
Bonds-Subordinated	INE348L08058	29-Dec-2021	10.75%	29-Dec-2027	50.00	CARE AA-; Stable
Bonds-Subordinated	INE348L08066	29-Sept-2022	10.75%	28-Apr-2028	25.00	CARE AA-; Stable

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Bonds-Subordinated	INE348L08074	21-Dec-2022	10.75%	21-Dec-2028	35.00	CARE AA-; Stable
Bonds-Subordinated	INE348L08082	10-Mar-2023	10.75%	10-Oct-2028	50.00	CARE AA-; Stable
Bonds-Subordinated	INE348L08090	27-Mar-2023	10.75%	27-Oct-2028	50.00	CARE AA-; Stable
Bonds-Subordinated	INE348L08108	08-Dec-2023	10.75%	08-Jul-2029	50.00	CARE AA-; Stable
Bonds-Subordinated (Proposed)	-	-	-	-	90.00	CARE AA-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	6250.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24) 2)CARE AA-; Stable (01-Apr-24)	1)CARE A+; Positive (18-Jan-24) 2)CARE A+; Positive (21-Sep-23)	1)CARE A+; Stable (02-Mar-23) 2)CARE A+; Stable (16-Sep-22) 3)CARE A+; Stable (02-May-22)	1)CARE A+; Stable (14-Sep-21)
2	Fund-based - LT-Cash Credit	LT	1750.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24) 2)CARE AA-; Stable (01-Apr-24)	1)CARE A+; Positive (18-Jan-24) 2)CARE A+; Positive (21-Sep-23)	1)CARE A+; Stable (02-Mar-23) 2)CARE A+; Stable (16-Sep-22) 3)CARE A+; Stable	1)CARE A+; Stable (14-Sep-21)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
							(02-May-22)	
3	Commercial Paper	ST	250.00	CARE A1+	1)CARE A1+ (08-Aug-24) 2)CARE A1+ (01-Apr-24)	1)CARE A1+ (18-Jan-24) 2)CARE A1+ (21-Sep-23)	1)CARE A1+ (02-Mar-23) 2)CARE A1+ (16-Sep-22) 3)CARE A1+ (02-May-22)	1)CARE A1+ (14-Sep-21)
4	Debentures-Non Convertible Debentures	LT	200.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24) 2)CARE AA-; Stable (01-Apr-24)	1)CARE A+; Positive (18-Jan-24) 2)CARE A+; Positive (21-Sep-23)	1)CARE A+; Stable (02-Mar-23) 2)CARE A+; Stable (16-Sep-22) 3)CARE A+; Stable (02-May-22)	1)CARE A+; Stable (14-Sep-21)
5	Debentures-Market Linked Debentures	LT	-	-	-	1)Withdrawn (18-Jan-24) 2)CARE PP-MLD A+; Positive (21-Sep-23)	1)CARE PP-MLD A+; Stable (02-Mar-23) 2)CARE PP-MLD A+; Stable (16-Sep-22) 3)CARE PP-MLD A+; Stable (02-May-22)	1)CARE PP-MLD A+; Stable (14-Sep-21)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
6	Debentures-Market Linked Debentures	LT	-	-	1)Withdrawn (08-Aug-24) 2)CARE PP-MLD AA-; Stable (01-Apr-24)	1)CARE PP-MLD A+; Positive (18-Jan-24) 2)CARE PP-MLD A+; Positive (21-Sep-23)	1)CARE PP-MLD A+; Stable (02-Mar-23) 2)CARE PP-MLD A+; Stable (16-Sep-22) 3)CARE PP-MLD A+; Stable (02-May-22)	1)CARE PP-MLD A+; Stable (14-Sep-21) 2)CARE PP-MLD A+; Stable (17-Jun-21)
7	Bonds-Subordinated	LT	100.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24) 2)CARE AA-; Stable (01-Apr-24)	1)CARE A+; Positive (18-Jan-24) 2)CARE A+; Positive (21-Sep-23)	1)CARE A+; Stable (02-Mar-23) 2)CARE A+; Stable (16-Sep-22) 3)CARE A+; Stable (02-May-22)	1)CARE A+; Stable (27-Sep-21)
8	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD AA-; Stable	1)CARE PP-MLD AA-; Stable (08-Aug-24) 2)CARE PP-MLD AA-; Stable (01-Apr-24)	1)CARE PP-MLD A+; Positive (18-Jan-24) 2)CARE PP-MLD A+; Positive (21-Sep-23)	1)CARE PP-MLD A+; Stable (02-Mar-23) 2)CARE PP-MLD A+; Stable (16-Sep-22) 3)CARE PP-MLD A+; Stable (02-May-22)	1)CARE PP-MLD A+; Stable (21-Oct-21)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
9	Bonds-Subordinated	LT	100.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24) 2)CARE AA-; Stable (01-Apr-24)	1)CARE A+; Positive (18-Jan-24) 2)CARE A+; Positive (21-Sep-23)	1)CARE A+; Stable (02-Mar-23) 2)CARE A+; Stable (16-Sep-22) 3)CARE A+; Stable (02-May-22)	-
10	Debentures-Market Linked Debentures	LT	-	-	1)Withdrawn (08-Aug-24) 2)CARE PP-MLD AA-; Stable (01-Apr-24)	1)CARE PP-MLD A+; Positive (18-Jan-24) 2)CARE PP-MLD A+; Positive (21-Sep-23)	1)CARE PP-MLD A+; Stable (02-Mar-23) 2)CARE PP-MLD A+; Stable (16-Sep-22) 3)CARE PP-MLD A+; Stable (02-May-22)	-
11	Bonds-Subordinated	LT	200.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24) 2)CARE AA-; Stable (01-Apr-24)	1)CARE A+; Positive (18-Jan-24) 2)CARE A+; Positive (21-Sep-23)	1)CARE A+; Stable (02-Mar-23)	-
12	Debentures-Non Convertible Debentures	LT	400.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24) 2)CARE AA-; Stable (01-Apr-24)	1)CARE A+; Positive (18-Jan-24)	-	-
13	Debentures-Non Convertible Debentures	LT	555.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Aug-24)	-	-	-

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds-Subordinated	Simple
2	Commercial Paper	Simple
3	Debentures-Market Linked Debentures	Highly Complex
4	Debentures-Non Convertible Debentures	Simple
5	Fund-based - LT-Cash Credit	Simple
6	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	MAS Rural Housing and Mortgage Finance Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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CL/DEB/24-25/1571 **Date : 12-Nov-2024**

To,
RIDDHI BHAYANI,
MAS Financial Services Limited,
6 Narayan Chambers, Ground Floor, ,
B/h Patang Hotel Ashram Road,
Ahmedabad,
Gujarat,
India 380009.

Dear Sir/ Madam,

Re: Consent to act as a Debenture Trustee for Private Placement of Fully Paid, Rated, Listed, Redeemable, Transferable, Secured, Non-Convertible Debentures of ₹ 100.00 Crores

We refer to your letter dated 12.11.2024 , requesting us to convey our consent to act as the Debenture Trustee for captioned issue of Debentures.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to execute Debenture Trust Deed and to create the security if applicable within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document / Placement Memorandum and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing o f Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Fee Structure for the proposed transaction will be as per annexure A.

Assuring you of the best professional services.
Thanking you.

Yours faithfully,

Catalyst Trusteeship Limited

Name : Mayuresh Pawar

Designation : Assistant Manager

Annexure A

Fee Structure for transaction CL/DEB/24-25/1571

PERTICULARS	AMOUNT
Acceptance fees (one-time, non-refundable, payable on our appointment)	₹ 60,000.00
Annually Trusteeship Fees(Amount/Percentage)	₹ 60,000.00

Annually Fees are payable in advance each year from date of execution till termination of the transaction. Pro-rata charges would apply for the first year till FY end, as applicable The taxes on above fee structure are payable at applicable rates from time to time.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Please return the second copy this letter duly signed by Authorized Officer from your company.

Yours Faithfully,

For Catalyst Trusteeship Limited

Name : Mayuresh Pawar

Designation : Assistant Manager

We accept the above terms.

For MAS Financial Services Limited

Name : Riddhi Bhayani

Designation : Company Secretary and Chief Compliance Officer

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF FINANCE COMMITTEE ("COMMITTEE") OF MAS FINANCIAL SERVICES LIMITED ("COMPANY") HELD ON TUESDAY, NOVEMBER 12, 2024 AT 11:00 A.M. AT 5th FLOOR, NARAYAN CHAMBERS, BEHIND PATANG HOTEL, ASHRAM ROAD, AHMEDABAD – 380 009.

- **ISSUANCE OF NON-CONVERTIBLE DEBENTURES:**

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "**Companies Act**"), the Foreign Exchange Management Act, 1999 (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("**Debt Listing Regulations**"), the SEBI master circular bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 on "*Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" ("**Listed NCDs Master Circular**"), each as amended, revised and restated from time to time, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed, and subject to approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, and subject to such approvals, consents, permissions and sanctions as may be required from any regulatory authority, and pursuant to the resolution of the board of directors of the company ("**Board**") dated April 24, 2024 ("**Board Resolution**"), the approval of the Committee be and is hereby accorded, within the overall limits prescribed in the Board Resolution, for:

(a) the offer and issue of 10,000 (ten thousand) rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees ("**INR**"), each having a face value of INR 1,00,000 (Indian Rupees One Lakh) and an aggregate nominal value of INR 100,00,00,000 (Indian Rupees One Hundred Crore) or such other number, face value or amount as may be determined by the Company ("**Debentures**") at the interest/coupon rate of 8.45% (eight decimal four five percent) per annum payable monthly (p.a.p.m.) or such other interest/coupon rate as may be agreed, payable monthly or at such other interest periods as may be agreed, with or without step-up in accordance with the Transaction Documents, and for a tenor of 18 (eighteen) months or such other maturity/tenure as may be agreed, at par, on a private placement basis to the successful bidders who have applied for subscription of the Debentures on the electronic book platform in accordance with the SEBI EBP Requirements (as defined below) and the persons/investors that are identified by the Company as "anchor investors" in accordance with the Listed NCDs Master Circular and the SEBI EBP Requirements (if any), each of which shall be deemed to be the person(s) identified by the Company for the purposes of Section 42 of the Companies Act ("**Investor(s)**"), on such terms as may be agreed

with the Investor(s) for (i) general corporate purposes of the Company, (ii) for utilization in the ordinary course of business of the Company (including repayment/re-financing of any existing financial indebtedness of the Company), and/or (iii) such other purposes as may be agreed with the Investor(s); and

(b) securing the amounts to be raised pursuant to the issue of the Debentures together with all interest and other charges thereon to be secured (at such ranking/priority and up to such limits and security cover as may be agreed with the Investor(s)) by one or more of the following: (i) hypothecation of certain identified book debts/loan receivables of the Company and/or such other assets as may be agreed, and/or (ii) such other security or contractual comfort as may be required in terms of the issuance of the Debentures (the "**Transaction Security**").

RESOLVED FURTHER THAT Mr. Kamlesh C. Gandhi (Chairman and Managing Director) and/or Mrs. Darshana Pandya (Director & CEO) and/or Mr. Ankit Jain (Chief Financial Officer) and/or Ms. Riddhi Bhayani (Company Secretary and Chief Compliance Officer) (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the finalisation of the terms of, and completing all applicable requirements for the offer and issue of the Debentures, including, without limitation, in relation to the following:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the offer and allotment of the Debentures;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the Debentures and all other related matters;

(d) preparing and finalising the Disclosure Documents (as defined below), in accordance with all applicable laws, rules, regulations and guidelines (including any amendments, and/or modifications in respect thereof, as may be considered desirable or expedient), and approving the Disclosure Documents (including any amendments, and/or modifications in respect thereof, as may be considered desirable or expedient);

(e) negotiating and finalising the terms and conditions of the appointment of an arranger, a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository and such other intermediaries as may be required including their successors and their agents in relation to the offer, issue and allotment of the Debentures and in connection with compliance with the terms and conditions of the Debentures;

(f) seeking the listing of any of the Debentures on any Stock Exchange(s), submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

(g) procuring the credit rating from the credit rating agency so appointment by the Company in relation to the Debentures;

(h) procuring the international securities identification number (ISIN) in relation to the Debentures from the depository;

(i) finalisation of the terms of, and completing all applicable requirements for the offer, issue and allotment of the Debentures;

(j) entering into arrangements with the depositories in connection with issue of Debentures in dematerialised form;

(k) creating and perfecting the Transaction Security as required in accordance with the terms of the Transaction Documents (as defined below) including completing and fulfilling any registration and filing requirements thereto, in relation to the offer, issue and allotment of the Debentures;

(l) finalising the deemed date of allotment of the Debentures;

(m) issuing the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect (including without limitation, the requirements prescribed in Chapter VI (*Electronic Book Provider platform*) of the Listed NCDs Master Circular ("**SEBI EBP Requirements**")), and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";

(n) creating the recovery expense fund in accordance with the requirements of Chapter IV (*Recovery Expenses Fund*) of the SEBI master circular bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 on "*Master Circular for Debenture Trustees*" ("**Debenture Trustees Master Circular**") (as amended, modified, supplemented and/or restated from time to time) read with guidance note(s) issued by the Stock Exchange(s) in this regard;

(o) (if so required) selecting/finalising "anchor investor(s)", and finalising the allocation of the Debentures proposed to be issued as "anchor allocation", each in accordance with the terms prescribed under the Listed NCDs Master Circular (including making all disclosures prescribed thereunder) and the SEBI EBP Requirements;

(p) complying with the requirements prescribed under the Listed NCDs Master Circular and the Debenture Trustees Master Circular;

(q) negotiating, executing, appearing before, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the offer, issue and allotment of the Debentures and dealing with regulatory authorities in connection with the offer, issue and allotment of Debentures including but not limited to the RBI, SEBI, the jurisdictional registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest of India, the Stock Exchange(s), the Ministry of Corporate Affairs, the information utilities or any depository(ies), and such other authorities as may be required;

(r) to execute all documents with, file forms with and submit applications to designated Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the Central Registry of Securitisation Asset Reconstruction and Security Interest of India, any information utility or any depository (if so required);

(s) sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents (as defined below);

(t) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the debt disclosure documents (including the general information document (if required), the key information document, and the private placement offer cum application letter) for the offer, issue and allotment of the Debentures (collectively, "**Disclosure Documents**");

(ii) the debenture trust deed, the debenture trustee agreement, the deed of hypothecation, and any other documents required for the creation of security interest over the Company's movable properties and assets or the providing of any other security/contractual comfort, or the offer, issue, and allotment of the Debentures (including any power(s) of attorney in connection thereto), and any other document in relation thereto (together with the Disclosure Documents, the "**Transaction Documents**");

(iii) the debenture certificate(s) for the Debentures (if required);

(iv) any other documents required for the purposes of the offer, issue and allotment of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the debenture trustee/holders of the Debentures;

(u) do all acts necessary for the finalisation of the terms of, and completing all applicable requirements for the offer and allotment of the Debentures in accordance with the terms set out in the Transaction Documents; and

(v) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the offer and allotment of the Debentures, and to give such directions as it deems fit or as may be necessary or desirable with regard to the finalisation of the terms of, and completing all applicable requirements for the offer and allotment of the Debentures.

RESOLVED FURTHER THAT without prejudice to the resolutions set out above, any of (a) the executive Chairperson and compliance officer, or (b) Managing Director or Chief Executive Officer and compliance officer, or (c) Chief Financial Officer and compliance officer, or (d) whole-time director and compliance officer, or (e) any two key managerial personnel (as defined in the Companies Act) be and are hereby authorised to provide any attestation required in the Disclosure Documents pursuant to paragraph 3.3.37 of Schedule I of the Debt Listing Regulations, or in such manner and from such person as may be prescribed by/required by the relevant Stock Exchange.

RESOLVED FURTHER THAT the drafts of the Disclosure Documents placed before the Committee for issuance of the Debentures to the Investor(s) be and are hereby approved and the same be finalised by any one of the Authorised Persons (acting severally) and issued to the Investor(s) under the signature of any one of the Authorised Persons (acting severally).

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the offer, issue and allotment of the Debentures in accordance with the Transaction Documents and the creation and perfection of security in accordance with the Transaction Documents and also to sign and submit the necessary forms with the relevant jurisdictional registrar of companies, the information utilities, the Central Registry of Securitisation Asset Reconstruction and Security Interest of India, the Ministry of Corporate Affairs, or any depository, and other relevant governmental authorities.

RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the offer, issue and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and acts as may be required to give effect to finalisation of the terms of, and completing all applicable requirements for, the offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid on the Transaction Documents and for the offer and allotment of the Debentures, including through any intermediaries such as the Stock Exchanges (if so required), clearing corporations or any depositories that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and such other agreements, deeds, undertakings, indemnity and documents as may be required, or any of them in connection with the Debentures to be issued by the Company.

RESOLVED FURTHER THAT the Authorised Persons be and hereby severally authorised to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to finalisation of the terms of, and completing all applicable requirements for the offer and allotment of the Debentures.

RESOLVED FURTHER THAT the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorised Person and/or the Company Secretary of the Company who shall sign/ countersign the same in token thereof in accordance with the articles of association of the Company.

RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any Director or Company Secretary of the Company be furnished to such persons as may be deemed necessary."

CERTIFIED TRUE COPY

FOR, MAS FINANCIAL SERVICES LIMITED

RIDDHI B. BHAYANI
COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER
MEMBERSHIP NO.: A41206

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING NO. 1st (2024-2025) OF BOARD OF DIRECTORS OF MAS FINANCIAL SERVICES LIMITED HELD ON WEDNESDAY, APRIL 24, 2024, AT 12:30 P.M. AT 5TH FLOOR, NARAYAN CHAMBERS, B/H PATANG HOTEL, ASHRAM ROAD, AHMEDABAD - 380009, GUJARAT

- **TO CONSIDER RAISING OF FUNDS BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS.**

"**RESOLVED THAT** pursuant to the provisions of Section 42, Section 71, and Section 179 of Companies Act, 2013, Rule 18 of Companies (Share and Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other applicable provisions, if any, of Companies Act, 2013 and the rules made thereunder (including statutory modifications or re-enactments thereof) as may be applicable for time being in force and subject to limit sanctioned under Section 180(1)(c) of the Companies Act, 2013 by the shareholders of the Company to the Board, the Foreign Exchange Management Act, 1999, as amended, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, and in accordance with all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**") and the Securities and Exchange Board of India ("**SEBI**"), including the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed and subject to necessary approval, if any required, of any financial institutions, banks, other concerned persons or authorities, the approval of the Board be and is hereby accorded for:

(a) issue and allotment of non-convertible debentures ((i) listed or unlisted, (ii) senior secured, (iii) senior unsecured, (iv) unsecured, (v) subordinated, (vi) any others (as may be determined)), in the financial year 2024-25, of such face value as may be determined up to the aggregate amount of upto INR 1500,00,00,000 (Indian Rupees One Thousand Five Hundred Crore) ("**Debentures**") in one or more tranches/issues ("**Tranches/Issues**"), at such interest rate as may be determined, payable at such frequency as may be determined, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such maturity (subject to applicable law) as may be determined, on a private placement basis to eligible investors (including without limitation, any banks, financial institutions, mutual funds, foreign portfolio investors, individuals, or any other persons/entities in accordance with applicable law) ("**Investors**") for raising debt for such

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purposes as may be determined, including pursuant to, *inter alia*, the scheme dated May 20, 2020 on "*Extended Partial Credit Guarantee Scheme*" bearing reference number F. no. 17/36/2019-IF-I issued by the Department of Financial Services, Ministry of Finance, Government of India ("**PCG Scheme**"); and

(b) securing/collateralizing the amounts to be raised pursuant to the issue of Debentures or any Tranche/Issue together with all interest and other charges thereon to be secured (up to such limits and security cover as may be agreed and within such timelines as may be agreed) by one or more of the following (i) hypothecation of identified loans/book debts, and/or any other movable assets of the Company, and/or (ii) charge over specified immovable property of the Company, and/or (iii) such other security or contractual comfort (including personal and/or corporate guarantees) as may be required in terms of the issuance of the Debentures or any Tranche/Issue (including any guarantee pursuant to the PCG Scheme) (the "**Security/Contractual Comfort**").

RESOLVED FURTHER THAT in supplement to the resolutions set out herein and the resolution dated January 17, 2024 of the Board, the Finance Committee of the Board of Directors ("Committee") be and is hereby empowered to (in addition to any powers that the Committee presently has or may have from time to time), within the overall ambit of the resolutions set out herein (a) consider the particular terms of each Tranche/Issue to more effectively implement any of the resolutions of the Board set out herein, (b) consider and approve any terms or modifications thereof for any Tranche/Issue, (c) direct any officer(s) of the Company to do such things and to take such actions as the Company is entitled to do or take (as the case may be) in terms of the resolutions set out herein, and (d) to generally do or to take any other action, deed, or things, as may be necessary to remove any difficulties or impediments in the effective implementation of the resolutions set out herein.

RESOLVED FURTHER THAT Mr. Kamlesh Gandhi (Chairman & Managing Director)(DIN: 00044852) and/or Mrs. Darshana S. Pandya (Director & Chief Executive Officer)(DIN: 07610402) and/or Ms. Riddhi Bhayani (Company Secretary & Chief Compliance Officer) or such other persons as may be authorised by the Board or the Committee (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures, including, without limitation the following:

(a) seeking, if required, any approval, consent or waiver from any/all concerned government and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures;

(b) to execute the term sheet in relation to the Debentures or any Tranche of the Debentures;

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(c) negotiating, approving and deciding the terms of the Debentures or any Tranche of the Debentures and all other related matters (including but not limited to, the amounts proposed to be raised, the Security/Contractual Comfort proposed to be provided by the Company, the rate of interest, the terms of repayment and the end use);

(d) if required by the holders of the Debentures or any Tranche of the Debentures (the "**Debenture Holders**"), seeking the listing of any of the Debentures or any Tranche of the Debentures on any Stock Exchange, submitting the listing application and taking all actions that may be necessary in connection with obtaining such listing;

(e) (if so required) issuing the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider"

(f) approving the debt disclosure document/information memorandum and the private placement offer cum application letter (as may be required) (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(g) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository and such other intermediaries as may be required including their successors and their agents;

(h) (to the extent applicable) taking such steps and performing such actions (including providing information) as may be required to enable the holders of the Debentures to procure a guarantee from the Government of India under the PCG Scheme;

(i) entering into arrangements with the depository in connection with Debentures or any Tranche of the Debentures in dematerialised form;

(j) creating and perfecting the Security/Contractual Comfort as required in accordance with the terms of the Transaction Documents (as defined below) in relation to the issue, offer and allotment of the Debentures or any Tranche of the Debentures;

(k) finalising the date of allocation and deemed date of allotment of the Debentures or any Tranche of the Debentures;

(l) to negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the allotment

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of the Debentures or any Tranche of the Debentures and deal with regulatory authorities in connection with the allotment of the Debentures or any Tranche of the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest and such other authorities as may be required;

(m) to execute all documents with, file forms with and submit applications to any Stock Exchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), Central Registry of Securitisation Asset Reconstruction and Security Interest or any depository;

(n) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents;

(o) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) debt disclosure document/information memorandum and the private placement offer cum application letter for the issue, offer and allotment of the Debentures or any Tranche/Issue of the Debentures (as may be required) (the "**Disclosure Documents**");

(ii) debenture certificate for the Debentures or any Tranche/Issue of the Debentures;

(iii) debenture trust deed/debenture trust cum mortgage deed (as may be applicable), debenture subscription agreement (if so required), debenture trustee agreement, deed of hypothecation and any other documents required for the creation of security interest over the Company's movable and immovable properties and the providing of any other Security /Contractual Comfort, or the issue, offer and allotment of the Debentures or any Tranche of the Debentures (including any power(s) of attorney in connection thereto) and any other document in relation thereto (collectively, the "**Transaction Documents**");

(iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures or any Tranche of the Debentures and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

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(v) any other document designated as a Transaction Document by the relevant debenture trustee/Debenture Holders;

(p) to pay stamp duty required to be paid for the allotment of the Debentures or any Tranche/Issue of the Debentures in accordance with the laws of India;

(q) to do all acts necessary for the allotment of the Debentures or any Tranche of the Debentures in accordance with the terms set out in the Disclosure Documents and the Transaction Documents to enable the Committee to make such allotment; and

(r) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to (a) to (q) above, and to give such directions as it deems fit or as may be necessary or desirable with regard to any Tranche of the Debentures and to enable the Committee to make allotment of the Debentures.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take such steps and to do all such acts, deeds, matters and things necessary for issue as approved by the Board and allotment of the Debentures to be made by the Board or Committee thereof and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as may be imposed, required or suggested by any of the concerned authority and to settle any question or difficulties that may arise with regard to the Debentures in such manner as it may determine in its absolute discretion and to take such steps and to do all such acts, deeds, matter and things as may be required, necessary, proper or expedient, to give effect to resolutions set out herein.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to execute to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, agreements and applications to carry out any or all transactions in the purview of issue and allotment of the Debentures for and on behalf of the Company."

CERTIFIED TRUE COPY

FOR, MAS FINANCIAL SERVICES LIMITED

Riddhi

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

RIDDHI B. BHAYANI
(COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER)
MEMBERSHIP NO: A41206