



The Power of Distribution

19TH ANNUAL REPORT

2013-14

REGISTERED OFFICE

**6, GROUND FLOOR, NARAYAN CHAMBERS,
B/H.PATANG HOTEL, ASHRAM ROAD,
AHMEDABAD – 380009.**

DIRECTORS' REPORT

To,
The Members,
MAS FINANCIAL SERVICES LTD.
Ahmedabad

Your Directors are happy to present the **NINETEENTH ANNUAL REPORT** of your Company together with the Audited Accounts drawn for the year ended on 31st March 2014.

FINANCIAL RESULTS:

PARTICULARS	Year Ended on 31 st	Year Ended on 31 st
	March 2014	March 2013
	RUPEES	RUPEES
Revenue from Operations	1,766,540,470	1,365,036,518
Other Income	7,493,633	9,107,823
Total Income	1,774,034,103	1,374,144,341
Total Expenditure	1,298,633,626	991,132,796
Profit Before Tax	475,400,477	383,011,545
Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	164,821,697	123,958,701
Net Profit	310,578,780	259,052,844
Profit Brought Forward	56,260,264	64,264,328
Profit Available for Appropriation	366,839,044	323,317,172
APPROPRIATIONS:		
Premium on Redemption of Cumulative Redeemable Preference Shares	-	101,171,250
Transfer to Statutory Reserve	62,115,756	51,810,569
Interim Dividend	24,778,522	10,432,877
Proposed Dividend	59,328,477	65,430,060
Corporate Tax on Dividend	14,293,987	12,306,868
Transfer to General Reserve	31,057,878	25,905,284
Short provision for dividend distribution tax of earlier year	505,614	-
Surplus Balance carried to Balance Sheet	174,758,810	56,260,264



BUSINESS PERFORMANCE:

In the year 2013-14 the company continues to grow at an impressive rate of 36% in AUM and 20% in terms of PAT, evident from the financial presented above. The gross income realized by the company is ₹ 177.40 Crore (Previous year ₹ 137.41 Crore) comprising of income from operations and other income. Net Profit after tax is ₹ 31.06 Crore (Previous year ₹ 25.91 Crore). Asset under Management is ₹ 1383.27 Crore (Previous year ₹ 1017.78 Crore). This year's performance inspite of the challenging macro-economic factors set the stage for the further growth in AUM accompanied by increased geographical presence.

PROSPECTS AND DEVELOPMENTS:

The company continues to pursue the policy of catering to the lower and the middle income segment, which is reckoned to be the key driver of our economy. Various products ranging from MSME (Micro, Small and Medium Enterprises) Home Loans (through its subsidiary MRHMFL) caters to the various needs of the vast section of the society.

This 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.

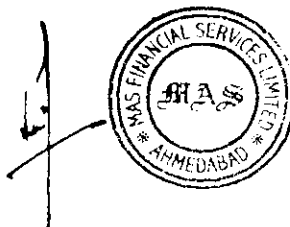
We firmly believe, that financial inclusion in a country like India is a function of efficient last mile delivery of credit, for which a very robust value chain has to be nurtured and developed. NBFCs in special play a pivotal role in this value chain and deserve its due understanding and recognition thus creating an enabling situation to perform to its full potential. It is worth mentioning here that, the regulators are keen to have a fresh look at the sector. I trust that, they will be able to create an enabling situation for this sector to develop.

Introduction of machinery loans to the SME this year has shown lot of promise. We are in the 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 inroads in this market too. We are planning to expand geographically, starting from Maharashtra.

Partnering with regional NBFCs 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 are encouraged by the response of such NBFCs and are keen to forge very useful mutually beneficial relationships going forward.

The company has consolidated its operations in the region of Rajasthan, Maharashtra besides Gujarat. The company has expanded its operations in Madhya Pradesh beyond Indore to Bhopal, Gwalior and Jabalpur. In Tamilnadu it operates through its Chennai branch and Karnataka through its Bengaluru (Bangalore) branch, taking the tally of the branches to 73 and the total centers covered to approx. 3000.



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. 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.

RESOURCES:

The company continues to enjoy the confidence of its current investors FMO and DEG and acknowledges their constructive support. We are delighted to welcome Lok Capital as one of our investors. We firmly believe that, their constructive support will go a long way in realizing company's vision.

The company is in process of identifying the potential investors. The internal accruals of the company and the business model pursued will successfully enable us to grow at a commendable pace of close to 30% per annum. Number of institutional investors has shown keen interest.

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 year too. The company anticipates credit lines from few more banks and financial institutions besides the existing ones.

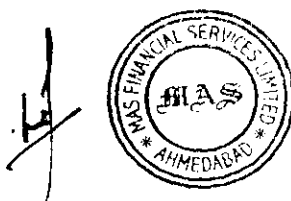
Your Company continues to command the respect and the confidence of Bankers as their extended channel in their task of providing efficient delivery of credit. The company acknowledges the constructive support of the Investors and consortium member banks.

HUMAN RESOURCE MANAGEMENT AT MAS

Human Resource Management plays a very important role in realizing the company's objective. The company is managed by the active involvement of the promoters along with strategic inputs from a well-diversified and competent board.

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.

I 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.

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 company achieved almost 98.50% recovery, with overdue of 1.50% only. It may be noted that the above-mentioned 1.50% debtors are under strictest surveillance of follow up. The Net NPA of the company is ₹ 12.22 Crore which is approximately 0.88% of Asset under Management.

CAPITAL

The Net Worth of the company as on 31st March 2014 is ₹ 165.19 Cr. inclusive of ₹ 16 Cr. Equity Share Capital.

DIVIDEND

The Board propose final dividend at the rate of 35% for Equity Shareholders for the year ended on 31st March, 2014.

STATUTORY COMPLIANCE:

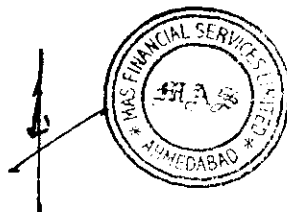
The Company has made necessary provisions towards non-performing assets, fully complying with the provisioning requirement of the Prudential Norms prescribed by Reserve Bank of India. The company has also complied with the directions issued by Reserve Bank of India regarding Capital Adequacy, Asset classification and provisioning norms.

INSURANCE:

The assets of your Company have been adequately insured.

LEGISLATIVE AND REGULATORY ISSUES

It has always been very challenging for the NBFC sector since long to get an enabling situation for growth. However, the sector has always emerged stronger, despite of various discriminations. This confirms the basic reality on the ground that, the last mile credit delivery provided by NBFCs is of paramount importance, to say the least. However, we trust and believe; that, all the stakeholders and regulators in particular will accord due importance to the sector and create an enabling situation for the NBFCs to grow, which in turn will promote inclusive growth.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In the preparation of the annual accounts for the Financial Year ended 31st March, 2014 the applicable accounting standards have been followed.
2. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit for the period from 1st April, 2013 to 31st March, 2014.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts for the financial year ended 31st March 2014 have been prepared on a "Going Concern Basis".

STATUTORY INFORMATION

Particulars of Employees

The information as required Under Section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employee) Rules, 1975, is NIL.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo:

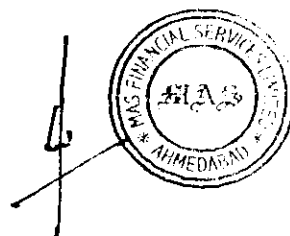
The Company has no activities relating to Conservation of energy or Technology Absorption. The company has no Foreign Exchange earnings and outflow.

AUDITORS:

M/s. Deloitte Haskins & Sells, auditors of the Company retire at the ensuing Annual General Meeting of the company and are eligible for reappointment. The members are requested to consider their reappointment for the financial year 2014-15.

DIRECTORS:

We are pleased to welcome Mr. Venkatesh Natrajan on the board as a nominee director of Lok Capital. We trust that his expertise and vast experience will add value in company's growth.



In accordance with Articles 134 and 135 of the Articles of Association of the Company and the provisions of the Companies Act, 1956, Mr. Mukesh Gandhi, Whole Time Director is liable to retire by rotation at the ensuing AGM and is eligible for reappointment.

Subject to the approval of the members in the general meeting, the Board of Directors re-appointed Mr. Kamlesh Gandhi as Managing Director and Mr. Mukesh Gandhi as Whole Time Director effective April 1, 2014 for a period of five years.

ACKNOWLEDGEMENT

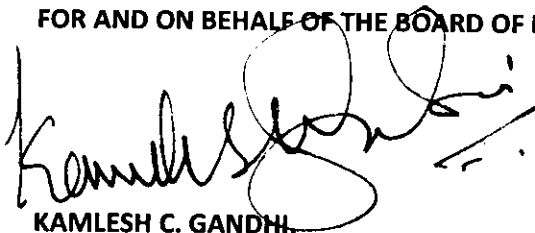
The Directors place on record their appreciation to all those people, who have so willingly placed their trust in the company & management and to more than one million customers across the length and breadth of the states of Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Tamilnadu and Karnataka, who have given the company opportunity to serve them.

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. I take this opportunity to express my heartfelt appreciation for their continuous support, hard work and dedication.

I 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



KAMLESH C. GANDHI
(CHAIRMAN & MANAGING DIRECTOR)



Place : Ahmedabad.

Date : 28th May, 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAS FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAS FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

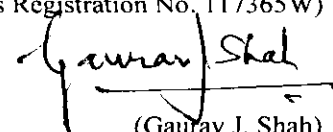
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)


(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

AHMEDABAD, 28th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - There have been no disposals of fixed assets during the year.
- (ii) The Company being a Non-Banking Financial Company has no inventory. Accordingly, the provisions of clauses 4(ii) (a), (b) & (c) of the Order are not applicable to the Company.
- (iii) In respect of the loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- The Company has granted loans to four parties covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such loans aggregated to Rs. 2586.89 lacs (three parties) and the maximum amount involved during the year was Rs. 8409.71 lacs (four parties).
 - The rate of interest and the other terms and conditions of such loans are not, in our opinion, *prima facie*, prejudicial to the interest of the Company.
 - The receipts of principal amounts and interest have been regular/as per stipulations.
 - There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year end.
- The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - Where each of such transaction (excluding loans reported under paragraph (iii) above) is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956, and the Rules framed thereunder.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (c) There are no dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited as on 31st March, 2014 on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, no loans have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or any other investments.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long- term investment.

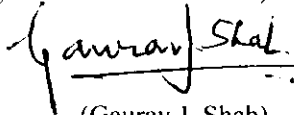


Deloitte Haskins & Sells

Deloitte Haskins & Sells
Chartered Accountants
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Off. Ahmedabad - 380 015
India
Tel: +91 79 2209 5400
Fax: +91 79 2209 5401
E-mail: info@deloitte.com

- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our audit report. Debentures issued in the previous year and outstanding at the year end being unsecured debentures did not require creation of any charge or security.
- (xx) The Company has not raised any monies by way of public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)



(Gaurav J. Shah)
(Partner)

(Membership No. 35701)

AHMEDABAD, 28th May, 2014

MAS FINANCIAL SERVICES LIMITED

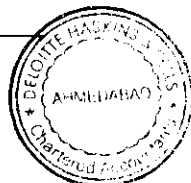
BALANCE SHEET AS AT 31ST MARCH 2014

	Notes	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	594,712,150	534,712,150
Reserves and Surplus	4	557,346,447	405,674,267
		1,152,058,597	940,386,417
Compulsorily Convertible Debentures (Unsecured) (Refer Note No.3.5)			
		499,800,000	499,800,000
Non-current liabilities			
Deferred Subsidy	5	83,044	222,362
Long-term borrowings	6	632,423,725	491,663,689
Other Long-term Liabilities	7	1,022,776,229	522,121,929
Long-term provisions	8	21,119,525	13,802,548
		1,676,402,523	1,027,810,528
Current liabilities			
Short-term borrowings	9	5,500,932,604	3,530,323,449
Trade payables		20,020,881	20,931,229
Other current liabilities	10	1,768,491,263	1,556,425,412
Short-term provisions	11	112,747,161	96,920,241
		7,402,191,909	5,204,600,331
TOTAL		10,730,453,029	7,672,597,276
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	57,164,779	59,665,961
Intangible assets		614,946	935,509
		57,779,725	60,601,470
Non-current investments			
Deferred tax assets (net)	13	108,331,128	108,331,128
Long-term loans and advances	14	11,364,913	4,355,694
Other non-current assets	15	2,870,432,419	1,980,305,197
	16	90,861,653	111,858,804
		3,080,990,113	2,204,850,823
Current assets			
Cash and Bank Balances	17	1,847,301,542	1,748,960,271
Short-term loans and advances	15	5,705,689,758	3,625,799,309
Other current assets	18	38,691,891	32,385,403
		7,591,683,191	5,407,144,983
TOTAL		10,730,453,029	7,672,597,276
Significant Accounting Policies			
See accompanying notes forming part of the financial statements			
	2		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Gaurav J. Shah
Partner



Deepika
Deepika Sharma
(Company Secretary)

For and on behalf of the Board of Directors

Kamlesh C. Gandhi
Kamlesh C. Gandhi
(Chairman & Managing Director)

Mukesh C. Gandhi
Mukesh C. Gandhi
(Whole Time Director)

Place : Ahmedabad
Date : 28th May, 2014

Place : Ahmedabad
Date : 28th May 2014

MAS FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Notes	Year ended 31st March 2014 Rupees	Year ended 31st March 2013 Rupees
INCOME			
Revenue from Operations	19	1,766,540,470	1,365,036,518
Other Income	20	7,493,633	9,107,823
Total Revenue		1,774,034,103	1,374,144,341
EXPENDITURE			
Employee Benefits Expense	21	136,522,232	123,115,933
Finance Costs	22	754,148,306	546,566,058
Depreciation and Amortisation Expenses	23	5,711,605	6,245,329
Provisions and Loan Losses	24	144,588,358	83,928,004
Other Expenses	25	257,663,125	231,277,472
Total Expenses		1,298,633,626	991,132,796
Profit Before Tax		475,400,477	383,011,545
Tax Expense:			
Current Tax		171,500,000	127,000,000
Deferred Tax		(7,009,219)	(3,041,299)
Short provision for taxation in respect of earlier years		330,916	-
Profit for the year		310,578,780	259,052,844
Earnings per equity share (of face value Rs. 10 each):	26		
Basic		17.36	13.21
Diluted		17.36	13.21
Significant Accounting Policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah

Gaurav J. Shah
Partner



Place : Ahmedabad
Date : 28th May, 2014

For and on behalf of the Board of Directors

Kamlesh C. Gandhi

Kamlesh C. Gandhi
(Chairman & Managing Director)

Deepika

Deepika Sharma
(Company Secretary)

Mukesh C. Gandhi

Mukesh C. Gandhi
(Whole Time Director)

Place : Ahmedabad
Date : 28th May 2014

MAS FINANCIAL SERVICES LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	Year ended 31st March 2014		Year ended 31st March 2013	
	Rupees		Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		475,400,477		383,011,545
Adjustments for :				
Depreciation & Amortisation	5,711,605		6,245,329	
Finance Costs	754,148,306		546,566,058	
Loss on Sale of Fixed Assets	-		54,585	
Provision for Non Performing Assets	13,524,092		6,599,960	
Contingent Provision against Standard Assets	7,316,977		3,435,437	
Loss Assets Written Off	106,211,696		68,199,714	
Loss on Sale of Repossessed Assets	17,535,593		5,692,893	
Depreciation Recouped from Deferred Subsidy	(139,318)		(139,318)	
Interest Income from Investments and Deposits	(6,585,004)		(8,358,316)	
Dividend Income	(19,311)	897,704,636	(10,189)	628,286,153
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		1,373,105,113		1,011,297,698
Changes in Working Capital:				
(Increase) / Decrease in Loans & Advances	(3,075,079,367)		(1,472,446,434)	
(Increase) / Decrease in Deposits given as Collateral	82,442,870		69,274,875	
(Increase) / Decrease in Other Assets	(27,469,248)		(17,561,811)	
Increase / (Decrease) in Trade Payables	(910,348)		5,442,335	
Increase / (Decrease) in Security Deposits from Borrowers	663,502,583		469,087,480	
Increase / (Decrease) in Short-term Provisions	1,055,803		331,509	
Increase / (Decrease) in Other Current Liabilities	261,679,119	(2,094,778,588)	(55,054,058)	(1,000,926,104)
CASH GENERATED FROM / (USED IN) OPERATIONS		(721,673,475)		10,371,594
Finance Costs	(725,340,149)		(518,127,382)	
Income Tax Paid	(164,950,788)	(890,290,937)	(122,305,343)	(640,432,725)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES [A]		(1,611,964,412)		(630,061,131)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(4,039,860)		(6,484,193)	
Proceeds from Sale of Fixed Assets	-		17,000	
Bank balances not considered as Cash and Cash Equivalents				
- Fixed Deposits Matured	6,259,976		33,141,819	
Interest Income from Investments and Deposits	1,819,813		16,600,365	
Dividend Income	19,311		10,189	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES [B]		4,059,240		43,285,180
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid including Dividend Distribution Tax	(105,539,700)		(110,832,845)	
Proceeds from Issue of Shares	-		150,000	
Net Increase in Working Capital Borrowings	1,970,609,155		1,258,962,733	
Increase/(Decrease) in Long Term Borrowings	260,490,328		(111,672,631)	
Redemption of Preference Shares	-		(621,320,000)	
Redemption of Debentures	(360,000,000)		-	
Proceeds from Issue of Compulsorily Convertible Debentures	-		649,740,000	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES [C]		1,765,559,783		1,065,027,257
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		157,654,611		478,251,306
Cash and Cash Equivalents at the beginning of the year		1,620,505,882		1,142,254,576
Cash and Cash Equivalents at the end of the year		1,778,160,493		1,620,505,882



MAS FINANCIAL SERVICES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Year ended 31st March 2014 Rupees	Year ended 31st March 2013 Rupees
3,176,457	669,321
1,774,984,036	1,619,836,561
1,778,160,493	1,620,505,882

Notes:

1 Cash and cash equivalents at the end of the year comprises:

(a) Cash on Hand

(b) Balances with banks

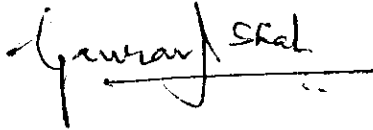
In Current/ Cash Credit Accounts (Includes Rs. 141,753 (As at 31st March, 2013 Rs. 545,068) in earmarked account i.e. "Collection and Payout Account" , which can be utilised only for the specific identified purposes.)

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

3 Previous year's figures have been regrouped / reclassified wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants



Gaurav J. Shah
Partner



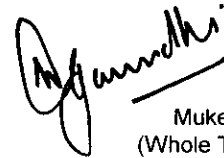
For and on behalf of the Board of Directors



Kamlesh C. Gandhi
(Chairman & Managing Director)



Deepika Sharma
(Company Secretary)



Mukesh C. Gandhi
(Whole Time Director)

Place : Ahmedabad

Date : 28th May, 2014

Place : Ahmedabad

Date : 28th May, 2014

Note-1 CORPORATE INFORMATION

MAS Financial Services Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. It is registered as a Non-Banking Finance Company with Reserve Bank of India. The Company is engaged in retail asset finance by way of providing Micro Enterprise Loans, SME Loans, Two Wheeler Loans, Commercial Vehicle Loans, Agri-based Loans etc.

Note-2 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

1. SIGNIFICANT ACCOUNTING POLICIES :

A. BASIS OF ACCOUNTING :

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies. The Company assesses all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. USE OF ESTIMATES :

The preparation of financial statements, in conformity with the generally accepted accounting principles in India requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and the difference between actual results and the estimates are recognised in the period in which the results are known / materialise.

C. FIXED ASSETS

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates and any other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

D. DEPRECIATION/ AMORTISATION

Depreciation on tangible fixed assets is provided as per Straight Line Method, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956

Assets costing less than Rs.5000 are fully depreciated in the year of acquisition.

Intangible assets (Computer Software) are amortised equally over a period of five years from the date of acquisition.

E. IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units are reviewed for impairment at each balance sheet date. If any indication of impairment exists, the recoverable amount is estimated. The recoverable amount is the greater of the net selling price and their 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. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss, if any, recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.



F. INVESTMENTS

Long term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Cost of investment includes acquisition charges such as brokerage, fees and duties.

G. GOVERNMENT GRANTS

Subsidies related to depreciable fixed assets are treated as deferred income which is allocated to income over the periods and in the proportions in which depreciation on those assets is charged. The deferred income balance is separately disclosed in the financial statements as "Deferred Subsidy".

H. REVENUE RECOGNITION :

(a) General

The Company follows accrual basis of accounting for its income and expenditure except income on assets classified as non-performing assets, which in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Finance Companies, is recognised on receipt basis.

Other income is accounted on accrual basis, except in case of significant uncertainties.

(b) Income from Loans:

Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts.

Service charges, stamp and documentation charges are booked at the commencement of the contract.

(c) Income from Assignment

(i) At Premium Structure:

In case of assignment of receivables "at premium", the assets are de-recognised since all the rights, title, future receivables and interest thereof are assigned to the purchaser. The interest spread arising on assignment is recognised upfront.

(ii) At Par Structure:

In case of assignment of receivables "at par", the assets are de-recognised since all the rights, title and future receivables principal are assigned to the purchaser. The interest spread arising on assignment is accounted over the residual tenor of the underlying assets.

(d) Income from Investments

Dividend from investments is accounted for as income when the right to receive dividend is established.

Interest income is accounted for on accrual basis.

I. REPOSSESSED ASSETS :

The value of repossessed assets is arrived at by deducting the estimated loss on realisation. The estimation of loss on realisation is done based on past track record of loss on sale of such assets.

J. 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

For defined benefit plan in the form of gratuity the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.



Short-term employee benefits

The undiscounted amounts of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. The amount includes liability on account of accumulated leave balances of employees which is provided for on actual basis when employees render the services that increase their entitlement of future compensated absences.

K. RECOURSE OBLIGATIONS UNDER ASSIGNMENT TRANSACTIONS

In respect of loans that were assigned under "at premium structure" the recourse obligations with respect to loans assigned are provided in books as per past track record of delinquency/servicing of the loans of the company.

L. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

M. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. 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. Deferred tax assets are reviewed at each balance sheet date for their realisability.

N. CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

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.

O. CASH FLOW STATEMENT

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

P. LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the Company has a present obligation as a result of past events, for which 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. Contingent liabilities disclosed in the Notes. Contingent assets are not recognised in the financial statements.



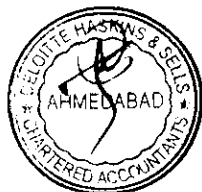
MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees
Note 3. Share Capital		
Authorized		
21,500,000 Equity Shares of Rs. 10 each.	215,000,000	155,000,000
650,000 Cumulative Redeemable Non Convertible Preference Shares of Rs. 100 each	65,000,000	65,000,000
40,000,000 8% Cumulative Redeemable Preference Shares of Rs. 10 each	400,000,000	400,000,000
44,000,000 7% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each	-	440,000,000
22,000,000 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each	220,000,000	-
22,000,000 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each	220,000,000	-
	1,120,000,000	1,060,000,000
Issued, Subscribed and Fully Paid-Up:		
16,000,125 (As at 31-03-2013 : 10,000,125) Equity Shares of Rs. 10 each fully paid-up.	160,001,250	100,001,250
21,735,545 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each	217,355,450	-
21,735,545 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each	217,355,450	-
43,471,090 7% Compulsorily Convertible Cumulative Preference Shares of Rs. 10 each	-	434,710,900
	594,712,150	534,712,150

3.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Outstanding at the beginning of the period	10,000,125	100,001,250	10,000,000	100,000,000
Add : Issued during the period	6,000,000	60,000,000	125	1,250
Outstanding at the end of the period	16,000,125	160,001,250	10,000,125	100,001,250
7% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the period	43,471,090	434,710,900	43,471,090	434,710,900
Less : Reclassified	43,471,090	434,710,900	-	-
Outstanding at the end of the period	-	-	43,471,090	434,710,900
13.31% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the period	-	-	-	-
Add : Reclassified	21,735,545	217,355,450	-	-
Outstanding at the end of the period	21,735,545	217,355,450	-	-
0.01% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the period	-	-	-	-
Add : Reclassified	21,735,545	217,355,450	-	-
Outstanding at the end of the period	21,735,545	217,355,450	-	-



3.2 Rights, preferences and restrictions attaching to each class of shares and terms of preference shares convertible into equity along with the earliest date of conversion

(a) Equity Shares

The Company has one class of equity shares having a par value of Rs. 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Board of Directors, in their meeting held on 28th May, 2014, proposed a dividend of Rs. 3.50 per equity share. The total equity dividend appropriation for the year ended March 31, 2014 amounts to Rs. 65,517,713 including dividend distribution tax of Rs. 9,517,275.

During the year ended March 31, 2013, the amount of per share dividend recognized as distribution to equity shareholders was Rs. 3.50. The total dividend appropriation for the year ended March 31, 2013 amounted to Rs. 35,000,297 including dividend distribution tax of Rs. 5,948,301.

(b) Compulsorily Convertible Cumulative Preference Shares

(i) In FY 2008-09, the Company had allotted 43,471,090 CCCPS of the face value of Rs. 10 each at par. These CCCPS carried a right to be paid fixed cumulative preferential dividend at the rate of 7% per annum free of income-tax.

During the year, pursuant to the agreement between the Company, its promoters and the investors, ("the Agreement") the terms attached to the aforesaid CCCPS were revised and the same are described under paras (ii) and (iii) below.

The total dividend appropriation on the aforesaid 7% CCCPS for the year ended March 31, 2014 amounts to Rs. 28,989,631 including dividend distribution tax of Rs. 4,211,110. The total dividend appropriation for the year ended March 31, 2013 amounted to Rs. 35,601,301 including dividend distribution tax of Rs. 5,171,538.

(ii) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from 17th February, 2014 to be paid a fixed cumulative preferential dividend at the rate of 0.01% per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 13 years from the date of final issuance of these CCCPS i.e. from 13th October, 2008. However in the event of the Company deciding or contemplating an IPO of its equity shares prior to the mandatory conversion date, the CCCPS are convertible into equity shares at a conversion price to be determined as provided for in the agreement, based on the time of conversion.

The total dividend appropriation on these 0.01% CCCPS for the year ended March 31, 2014 amounts to Rs. 2,926 including dividend distribution tax of Rs. 425.

(iii) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from 17th February, 2014 to be paid a fixed cumulative preferential dividend at the rate of 13.31% per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 7 years from the effective date i.e. from 17th February, 2014. However in the event of the Company deciding or contemplating an IPO of its equity shares prior to the mandatory conversion date, the CCCPS are convertible into equity shares at a conversion price to be determined as provided for in the agreement based on the time of conversion.

The total dividend appropriation on these 13.31% CCCPS for the year ended March 31, 2014 amounts to Rs. 38,90,713 including dividend distribution tax of Rs. 565,175.

The holder of the preference share capital shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares.

3.3 Details of shares held by each shareholder holding more than 5% shares:

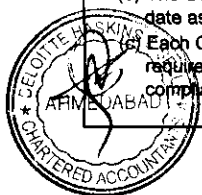
Class of shares / Name of shareholder	As at 31st March 2014		As at 31st March 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
Kamlesh C. Gandhi	2,497,127	15.61%	1,560,712	15.61%
Sweta Kamlesh Gandhi	6,535,380	40.85%	4,084,632	40.85%
Mukesh C. Gandhi (HUF)	3,620,193	22.63%	2,262,631	22.63%
Mukesh C. Gandhi	2,823,987	17.65%	1,765,000	17.65%
7% Compulsorily Convertible Cumulative Preference Shares				
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	-	-	43,471,090	100.00%
0.01% Compulsorily Convertible Cumulative Preference Shares				
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	21,735,545	100.00%	-	-
13.31% Compulsorily Convertible Cumulative Preference Shares				
Lok Capital II LLC	21,735,545	100.00%	-	-

3.4 Details of bonus shares issued during the five years immediately preceding the Balance Sheet date:

- 3,000,000 Equity Shares of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of profits during 2007-08
- 500,000 Equity Shares of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during 2011-12
- 6,000,000 Equity Shares of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during 2013-14

3.5 The Company has issued Compulsorily Convertible Debentures (CCDs) of nominal value aggregating to Rs. 49.98 crores. Significant terms of the same as under :

- The CCDs carry interest at the rate of 13% p.a. for 72 months from the date of investment and thereafter if the CCD's remain unconverted, the rate of interest will be 19.50% p.a. or maximum permissible interest payable under applicable law which ever is less.
- The CCDs shall be fully and mandatorily converted into equity shares on a date which shall be either 31st March, 2020 or such other date as may be solely decided by the investor, provided that such date shall not extend beyond 19 years from 27th July 2012. Each CCD will convert into such number of equity shares so as to give the investor the required return, without the investor being required to pay any amount for such conversion. The agreement provides that the price at which the conversion will take place will be in compliance with the FDI regulations.



MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31st March 2014 Rupees		As at 31st March 2013 Rupees	
Note 4. Reserves and Surplus				
Capital Redemption Reserve				
Opening Balance	60,000,000		60,000,000	
Less : Utilised for issue of bonus shares	60,000,000		-	
Closing Balance	-		60,000,000	
Reserve u/s. 45-1C of RBI Act, 1934 :				
Opening Balance	203,164,119		151,353,550	
Additions during the year	62,115,756		51,810,569	
Closing Balance	265,279,875		203,164,119	
General Reserve				
Opening Balance	56,309,884		30,404,600	
Additions during the year	31,057,878		25,905,284	
Closing Balance	87,367,762		56,309,884	
Security Premium				
Opening Balance	29,940,000		-	
Additions during the year	-		150,088,750	
Less : Premium on Redemption of Cumulative Redeemable Preference Shares	-		120,148,750	
Closing Balance	29,940,000		29,940,000	
Surplus in Statement of Profit and Loss				
Opening Balance	56,260,264		64,264,328	
Add: Profit for the year	310,578,780		259,052,844	
Less : Appropriations				
Premium on Redemption of Cumulative Redeemable Preference Shares	-		101,171,250	
Reserve u/s. 45-1C of RBI Act, 1934	62,115,756		51,810,569	
Interim Dividend on Preference Shares	24,778,522		10,432,877	
Proposed Dividend on Preference Shares	3,328,039		30,429,763	
Proposed Dividend on Equity Shares	56,000,438		35,000,297	
Short provision for Dividend Distribution Tax of earlier year	505,614		-	
Dividend distribution tax on preference dividend	4,776,713		6,628,944	
Dividend distribution tax on equity dividend	9,517,274		5,677,924	
Transfer to General Reserve	31,057,878		25,905,284	
Total Appropriations	192,080,234		267,056,908	
Net Surplus in Statement of Profit and Loss	174,758,810		56,260,264	
Total Reserves and Surplus	557,346,447		405,674,267	
Note 5. Deferred Subsidy				
Balance as per last Balance Sheet	222,362		361,680	
Less : Recouped during the year (Refer Note No.2 (G))	139,318		139,318	
	83,044		222,362	
	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Note 6. Long Term Borrowings				
(a) Debentures				
Secured				
230, Series I - 13.50 % Secured Redeemable Non-Convertible Debentures of Rs. 10 lakhs each (privately placed)	-	-	-	230,000,000
130, Series II - 13.20 % Secured Redeemable Non-Convertible Debentures of Rs. 10 lakhs each (privately placed)	-	-	-	130,000,000
(b) Term Loans				
(Refer Note No. 6.1)				
Secured				
From Banks	524,089,327	416,663,689	530,144,428	460,413,336
From Others	108,334,398	75,000,000	99,999,200	50,000,000
	632,423,725	491,663,689	630,143,628	870,413,336



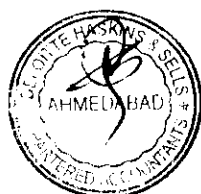
6.1 Details of terms of redemption/repayment and security provided in respect of long-term borrowings:

	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loans from Banks				
Term Loan - I	49,999,996	50,000,000	Repayable in 36 monthly installments from 25/04/2013 Rate of interest: Base Rate + Spread Maturity Period: 2-3 years No. of Installments due: 24	Secured by hypothecation of entire receivables or book debts under loan cum hypothecation agreement, both present and future, including bills whether documentary or clean and outstanding monies receivable, both present and future.
Term Loan - II	274,089,335	155,144,432	Repayable in 36 monthly installments from 07/10/2013. Rate of interest: Base Rate + Spread Maturity Period: 2-3 years No. of Installments due: 31	Secured by a first charge on present and future movables, receivables, book debts, outstanding monies and other dues arising out of the term loan.
Term Loan - III	-	124,999,996	Repayable in 36 monthly installments from 06/01/2012. Rate of interest: I-BASE + Spread Maturity Period: < 1 years No. of Installments due: 9	Secured by hypothecation of all receivables arising out of the loan portfolio created by utilising the proceeds of the facility.
Term Loan - IV	24,999,999	50,000,000	Repayable in 36 monthly installments from 28/10/2012. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 18	Secured by hypothecation of entire receivables or book debts under loan cum hypothecation agreement, both present and future, including bills whether documentary or clean and outstanding monies receivable, both present and future.
Term Loan - V	49,999,997	66,666,667	Repayable in 36 monthly installments from 31/01/2013 Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 21	Secured by hypothecation of entire receivables or book debts under loan cum hypothecation agreement, both present and future, including bills whether documentary or clean and outstanding monies receivable, both present and future.
Term Loan - VI	125,000,000	83,333,333	Repayable in 36 monthly installments from 30/10/2013. Rate of interest: Base Rate + Spread Maturity Period: 2-3 years No. of Installments due: 30	Secured by a charge on all the present and future book debts, Out standings, Money receivables, Claims and Bills, which are due and owing or which may any time during the continuance of the security become due and owing to the Company in the course of its business.
Total Term Loans from Banks	524,089,327	530,144,428		
Term Loans from Others				
Term Loans from a Financial Institution - I	25,000,000	50,000,000	Repayable in 12 quarterly installments from 10/12/2012. Rate of interest: BPLR Maturity Period: < 1 year No. of Installments due: 6	Secured by hypothecation of book debts created out of the loan availed and also lien on specific bank fixed deposits.
Term Loans from a Financial Institution - II	41,667,200	24,999,600	Repayable in 36 monthly installments from 15/12/2013. Rate of interest: LTLR + Spread Maturity Period: 2-3 year No. of installments due: 32	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - III	41,667,198	24,999,600	Repayable in 36 monthly installments from 15/12/2013. Rate of interest: LTLR + Spread Maturity Period: 2-3 year No. of Installments due: 32	Secured by hypothecation of book debts created out of the loan availed
Total Term Loans from Others	108,334,398	99,999,200		



MAS FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees
Note 7. Other Long Term Liabilities		
Security deposits received	996,455,879	510,116,439
Interest accrued but not due	26,320,350	12,005,490
	1,022,776,229	522,121,929
Note 8. Long-term Provisions		
Contingent Provision against Standard Assets	21,119,525	13,802,548
	21,119,525	13,802,548
Note 9. Short-term borrowings		
Secured		
Loans repayable on demand:		
From Banks:		
Cash Credit and Overdrafts	2,550,932,604	772,823,449
Short Term Loans:		
From Banks	2,950,000,000	2,720,000,000
From Others	-	37,500,000
Commercial Paper (Refer Note 9.1 below)	-	-
	5,500,932,604	3,530,323,449
9.1 The Company has issued Commercial Papers during the year. The maximum amount of Commercial Papers outstanding at any time during the year was Rs. 820,000,000 (Previous Year - Rs. 520,000,000). As at 31st March, 2014 and 31st March, 2013 there were no Commercial Paper outstanding.		
9.2 Cash Credits/Overdrafts/Short Term Loans from Banks are secured by hypothecation of movable assets of the Company and goods covered under HP Agreements/ Loan cum Hypothecation Agreements and relative bookdebts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/FIs on an exclusive basis) and equitable mortgage by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by two directors of the Company.		
Note 10. Other Current Liabilities		
Current Maturities of long-term debt (Refer Note Nos. 6 & 6.1)	630,143,628	870,413,336
Interest accrued but not due on borrowings	26,628,790	29,628,025
Other Interest accrued but not due	45,145,586	28,653,054
Other Payables:		
Statutory remittances (Contributions to PF and ESIC, Service Tax, etc.)	12,268,336	15,030,394
Dues to the assignees towards collections from assigned receivables	360,976,394	96,246,617
Security deposits received	692,993,648	515,830,505
Advance payments received	334,881	623,481
	1,768,491,263	1,556,425,412
Note 11. Short-term Provisions		
Provision for Employee Benefits		
Compensated Absences	3,088,825	2,033,022
Other Provisions		
Provision for Tax (net of Advance Tax)	11,243,126	3,362,998
Provision for Non Performing Assets	29,003,859	15,479,767
Provision for proposed equity dividend	56,000,438	35,000,297
Provision for proposed preference dividend	3,328,039	30,429,763
Provision for dividend distribution tax on proposed equity dividend	9,517,274	5,677,924
Provision for dividend distribution tax on proposed preference dividend	565,600	4,936,470
	112,747,161	96,920,241



MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Note 12. Fixed Assets

NATURE OF ASSETS	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
	As at 1st April 2013	Additions during the year	Deductions during the year	As at 31st March 2014	As at 1st April 2013	For the year	On Deductions during the year	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013	
Tangible assets											
Office Building *	22,975,956	-	-	22,975,956	3,502,113	374,508	-	3,876,621	19,099,335	19,473,843	
Furniture & Fixtures	26,337,815	337,638	-	26,675,453	11,866,753	1,533,806	-	13,400,559	13,274,894	14,471,062	
Vehicles	10,512,015	724,500	-	11,236,515	3,411,445	1,012,534	-	4,423,979	6,812,536	7,100,570	
Computer & Office Equipment	48,594,204	1,827,722	-	50,421,926	29,973,718	2,470,194	-	32,443,912	17,978,014	18,620,486	
Total	108,419,990	2,889,860	-	111,309,850	48,754,029	5,391,042	-	54,145,071	57,164,779	59,665,961	
Previous Year	105,962,111	5,423,773	2,965,894	108,419,990	45,721,292	5,927,046	2,894,309	48,754,029	59,665,961		
Intangible Assets											
Software	1,602,817	-	-	1,602,817	667,308	320,563	-	987,871	614,946	935,509	
Total	1,602,817	-	-	1,602,817	667,308	320,563	-	987,871	614,946	935,509	
Previous Year	1,256,054	346,763	-	1,602,817	349,025	318,283	-	667,308	935,509		
Grand Total	110,022,807	2,889,860	-	112,912,667	49,421,337	5,711,605	-	55,132,942	57,779,725	60,601,470	
Previous Year	107,218,165	5,770,536	2,965,894	110,022,807	46,070,317	6,245,329	2,894,309	49,421,337	60,601,470		

* Note :

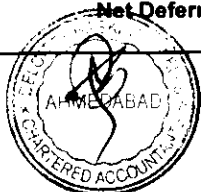
Gross Block of building includes Rs. 1,418,582/- (Previous Year: Rs. 1,418,582/-) pertaining to premises not in the name of the Company and for which conveyance deeds are yet to be executed.



MAS FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	Face Value Per Share/ Bond Rupees	As at 31st March 2014		As at 31st March 2013	
		No. of Shares/ Bonds	Rupees	No. of Shares/ Bonds	Rupees
Note 13. Non-Current Investments (at cost)					
(A) TRADE:					
UNQUOTED					
In Subsidiary Company					
Fully paid up Equity Shares of Mas Rural Housing & Mortgage Finance Ltd.	10	10,750,000	107,500,000	10,750,000	107,500,000
(B) NON-TRADE:					
QUOTED					
In Equity Shares (Fully Paid Up):					
Apple Finance Ltd.	10	100	2,150	100	2,150
Athena Finance Ltd.	10	1	7	1	7
Cholamandalam Finance Ltd.	10	1	52	1	52
Dena Bank	10	3,209	88,443	3,209	88,443
First Leasing Finance Ltd.	10	1	23	1	23
Gujarat Lease Financing Ltd.	10	125	4,875	125	4,875
HDFC Bank Ltd.	2	15	2,904	15	2,904
ICICI Bank Ltd	10	3	4,560	3	4,560
IndusInd Bank Ltd.	10	102	4,590	102	4,590
Kotak Mahindra Bank Ltd.	5	250	1,950	250	1,950
Reliance Capital Ltd.	10	1	77	1	77
HDFC Ltd.	2	5	-	5	-
			109,631		109,631
Less : Provision for diminution			46,641		46,641
			62,990		62,990
In Government Securities:					
11.5% GOI BOND 2015	795,000		761,213		761,213
UNQUOTED					
In Equity Shares (Fully Paid Up):					
Cosmos Co-operative Bank Ltd.	25	277	6,925	277	6,925
Total Non-Current Investment			108,331,128		108,331,128
1 Aggregate amount of Quoted Investments:					
Cost			870,844		870,844
Market Value (In respect of Government Securities face value considered as market value is not available)			1,255,799		1,303,689
2 Aggregate amount of Unquoted Investments			107,506,925		107,506,925

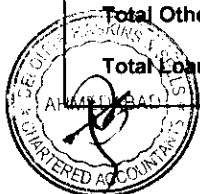
	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees
Note 14. Deferred Tax Asset		
Tax effect of items constituting Deferred Tax Liability		
1 Difference between book depreciation and depreciation under Income-tax Act, 1961	(6,721,917)	(6,451,542)
Tax effect of items constituting Deferred Tax Assets		
1 Provision for non-performing assets	9,858,412	5,261,573
2 Contingent Provision for Standard Assets	7,178,527	4,691,486
3 Provision for Compensated Absences	1,049,891	691,024
4 Expenses eligible for deduction under section 35D of the Income- tax Act, 1961	-	163,153
Total Deferred Tax Assets	18,086,830	10,807,236
Net Deferred Tax Asset	11,364,913	4,355,694



MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	Non Current		Current	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Note 15. Loans and advances				
(A) Loans to Customers				
(i) Secured				
Loans	2,109,647,250	1,246,192,033	3,389,071,927	2,333,133,467
Retained Interest on securitisation/assignment Installments and other dues from borrowers	60,430,937	40,735,514	220,620,108	101,232,728
	-	-	135,163,799	157,921,677
	2,170,078,187	1,286,927,547	3,744,855,834	2,592,287,872
Less: Unaccrued Interest Charges	98,348,276	67,467,713	186,466,312	136,514,772
	2,071,729,911	1,219,459,834	3,558,389,522	2,455,773,100
(ii) Unsecured				
Loans	902,312,321	895,312,471	2,142,350,361	1,213,295,431
Retained Interest on securitisation/assignment Installments and other dues from borrowers	18,840,890	7,994,437	56,462,405	35,442,416
	-	-	78,357,349	71,634,693
	921,153,211	903,306,908	2,277,170,115	1,320,372,540
Less: Unaccrued Interest Charges	128,724,933	148,222,144	326,289,241	246,542,918
	792,428,278	755,084,764	1,950,880,874	1,073,829,622
Total Loans to Customers (A)	2,864,158,189	1,974,544,598	5,509,270,396	3,529,602,722
Of the above:				
Considered Good	2,864,158,189	1,974,544,598	5,480,266,537	3,514,122,955
Considered Doubtful - Non Performing Assets	-	-	29,003,859	15,479,767
	2,864,158,189	1,974,544,598	5,509,270,396	3,529,602,722
Notes:				
15.1 Secured Installments and other dues from borrowers includes overdues where more than six instalments are outstanding	-	-	58,316,486	66,122,482
15.2 Unsecured Installments and other dues from borrowers includes overdues where more than six instalments are outstanding	-	-	41,252,513	21,857,398
15.3 Secured exposures are exposures secured wholly or partly by hypothecation of assets and/or company guarantees or personal guarantees and/or undertaking to create a security.				
15.4 Percentage of loans against gold to total assets			0.03%	0.19%
(B) Loans and Advances to Related Party				
Intercompany deposit given to subsidiary company	-	-	-	2,000,000
Total Loans and Advances to Related Party (B)	-	-	-	2,000,000
(C) Other Loans and Advances				
(i) Advances to Dealers				
Unsecured - considered good	-	-	191,760,822	68,452,503
(ii) Security deposits				
Unsecured, considered good	4,023,230	4,486,312	-	15,000,000
(iii) Portfolio Collateral against assets assigned				
	-	173,287	-	2,938,593
(iv) Advances to employees				
Unsecured, considered good	-	-	1,089,163	1,142,340
(v) Prepaid expenses				
	-	-	733,494	881,784
(vi) Advances recoverable in cash or kind				
Unsecured, considered good	-	-	2,835,883	5,781,367
(vii) Capital Advances				
Unsecured, considered good	2,251,000	1,101,000	-	-
Total Other Loans and Advances (C)	6,274,230	5,760,599	196,419,362	94,196,587
Total Loans and Advances (A) + (B) + (C)	2,870,432,419	1,980,305,197	5,705,689,758	3,625,799,309



MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

		Non Current		Current	
		As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Note 16. Other Non-Current Assets					
Non-current Bank Balances				82,975,874	105,096,943
Interest Accrued on Deposits				7,885,779	6,761,861
				90,861,653	111,858,804
Note 17. Cash and Bank Balances					
Cash and Cash Equivalents					
Cash on Hand		-	-	3,176,457	669,321
Balances with Banks:					
In Current/ Cash Credit Accounts (Refer Note 17.1 below)		-	-	1,774,984,036	1,619,836,561
Other Bank Balances					
In Fixed Deposit Accounts:(Refer Note 17.2 below)					
Deposits given as security against borrowings and other commitments		59,927,000	57,525,000	552,024	9,214,000
Deposits given as collateral against assets assigned		23,048,874	47,571,943	68,589,025	119,240,389
Total		82,975,874	105,096,943	1,847,301,542	1,748,960,271
Less:- Amount disclosed under non current assets		82,975,874	105,096,943	-	-
		-	-	1,847,301,542	1,748,960,271
Note:					
17.1 Includes Rs. 141,753 (As at 31st March, 2013 Rs. 545,068) in earmarked account i.e. "Collection and Payout Account".					
17.2 Other bank balances include deposits amounting to Rs. 121,211,702 (As at 31st March, 2013 Rs. 196,787,408) which have an original maturity of more than 12 months.					
Note 18. Other Current Assets					
Interest Accrued					
On Investments				32,563	32,563
On Term Loans				31,408,080	23,272,870
On Deposits				1,189,797	4,816,964
				32,630,440	28,122,397
Re-possessed Assets				6,061,451	4,136,792
Others					
Income Receivable				-	126,214
				38,691,891	32,385,403



MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	Year ended 31st March 2014 Rupees	Year ended 31st March 2013 Rupees
Note 19. Revenue from operations		
(a) Income from Financing Activity		
i) Interest	1,617,586,628	1,218,699,621
ii) Other Operating Revenue Service Charges, Stamp & Document Charges etc.	140,050,492	129,004,110
(b) Interest on deposits placed as collateral towards assets derecognised	8,294,343	16,619,540
(c) Income from Non Financing Activity	609,007	713,247
	1,766,540,470	1,365,036,518
Note 20. Other Income		
Interest Income:		
On Investments - Non Current, Non Trade , Quoted (Govt. Securities)	91,425	91,425
On Bank Deposits	6,100,908	7,080,248
On Other Deposits	392,671	1,186,643
Dividend Income:		
From Long Term Investments	19,311	10,189
Other Non Operating Income:		
Rent	750,000	600,000
Miscellaneous Income	139,318	139,318
	7,493,633	9,107,823
Note 21. Employee Benefits Expense		
Salaries, Bonus and Allowances	127,734,692	114,011,264
Contributions to Provident & Other Funds	5,067,572	5,824,652
Staff Welfare Expenses	3,719,968	3,280,017
	136,522,232	123,115,933
Note 22. Finance Costs		
Interest:		
On Bank Borrowings	474,549,938	308,077,571
On Debentures	80,691,781	89,237,574
On Others	116,691,461	77,233,100
	671,933,180	474,548,245
Discount on Commercial Papers	25,016,820	20,330,280
Other Borrowing Costs	57,198,306	51,687,533
	754,148,306	546,566,058



MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	Year ended 31st March 2014 Rupees	Year ended 31st March 2013 Rupees
Note 23. Depreciation and Amortisation		
Depreciation on tangible assets	5,391,042	5,927,046
Amortisation of intangible assets	320,563	318,283
	5,711,605	6,245,329
Note 24. Provisions and Loan Losses		
Loss Assets Written Off	106,211,696	68,199,714
Loss on Sale of Repossessed Assets (Net)	17,535,593	5,692,893
Provision for Non Performing Assets	13,524,092	6,599,960
Contingent Provision against Standard Assets	7,316,977	3,435,437
	144,588,358	83,928,004
Note 25. Other Expenses		
Rent	13,462,672	12,690,797
Rates & Taxes	1,170,883	2,613,222
Stationery & Printing	7,137,796	7,318,049
Telephone	6,611,897	6,756,039
Electricity	5,012,135	4,187,297
Postage & Courier	6,448,972	4,471,546
Insurance	7,197,386	7,372,254
Conveyance	16,899,891	15,108,765
Travelling	12,868,794	12,114,887
Repairs & Maintenance:		
Building	1,808,495	663,456
Others	6,453,159	4,582,899
	8,261,654	5,246,355
Professional Fees (Refer Note 25.1 below)	12,206,569	10,486,077
Director's Sitting Fees	290,000	420,000
Legal Expenses	19,483,183	8,176,173
Bank Charges	11,321,856	14,131,501
Commission	59,836,121	62,501,031
Advertisement Expenses	13,320,747	14,837,980
Sales Promotion Expenses	6,610,139	2,520,865
Loss on Sale of Fixed Assets	-	54,585
Donation	154,000	111,000
Recovery Contract Charges	39,354,622	32,769,726
Miscellaneous Expenses	10,013,808	7,389,323
	257,663,125	231,277,472
Note 25.1		
Professional fee includes Payment to Auditors		
As Auditors:		
Statutory Audit Fees	1,416,980	1,018,678
Other Services	308,990	227,529
Reimbursement of Expenses	-	1,045
	1,725,970	1,247,252



MAS FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	Year ended 31st March 2014 Rupees	Year ended 31st March 2013 Rupees
Note 26. Earnings Per Share		
(A) Basic		
Computation of Profit (Numerator)		
Net Profit for the year	310,578,780	259,052,844
Less: Preference dividend including tax thereon.	32,883,274	47,726,652
Net Profit for the year attributable to Equity Shareholders	277,695,506	211,326,192
Computation of Weighted Average Number of Shares (Denominator)		
Weighted average number of Equity Shares of Rs. 10 each used for calculation of basic Earnings per Share	16,000,125	16,000,084 *
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	17.36	13.21
*Adjusted for Bonus Shares issued during 2013-14		
(B) Diluted		
Computation of Profit (Numerator)		
Net Profit attributable to Equity Shareholder's as above	277,695,506	211,326,192
Computation of Weighted Average Number of Shares (Denominator)		
Weighted average number of Equity Shares as above	16,000,125	16,000,084
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.)	17.36	13.21
Note		
Since the number of equity shares issuable on conversion of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures, is not determinable at present, the same have not been considered in computing the weighted average number of equity shares for calculating Diluted Earnings Per Share.		



MAS FINANCIAL SERVICES LIMITED

Notes Forming Part of the Financial Statements:

27. Contingent Liabilities and Commitments (to the extent not provided for)

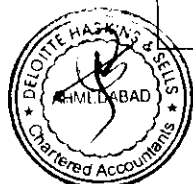
	As at 31 st March 2014 Rupees	As at 31 st March 2013 Rupees
Guarantees given on behalf of subsidiary Company :		
a) To a bank Amount of guarantee Rs.600,000,000 (Previous Year Rs.100,000,000) Amount of loan outstanding	427,142,945	77,678,625
b) To National Housing Bank (NHB) Amount of guarantee Rs.70,000,000 (Previous Year Rs.20,000,000) Amount of loan outstanding	37,016,000	20,000,000
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	1,975,000	900,000

28. The company sells loans through securitization and direct assignment transactions,

The information of securitization /direct assignment by the company as originator as required by RBI Circular DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012 is as under:

(a) For Securitization Transaction

Sr. No.	Particulars	As at 31 st March 2014 No./Rupees	As at 31 st March 2013 No./Rupees
1	No of SPVs sponsored by the company for securitization transactions	3	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	419,575,285	623,023,242
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	67,644,146	36,738,925
	• Others	50,954,075	24,920,930
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil



Note:-

The above figures are based on the information duly certified by the SPV's auditors obtained by the Company from the SPV.

(b) For Assignment Transaction

Sr. No.	Particulars	As at 31 st March 2014 No./Rupees	As at 31 st March 2013 No./Rupees
1	No of SPVs sponsored by the company for assignment transactions	N.A.	N.A.
2	Total amount of assigned assets as per books of the the company (excluding accrued interest)	5,233,107,325	3,925,076,575
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	305,400,265	160,484,164
4	Amount of exposures to assignment transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	23,993,753	130,073,407
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil

29. Disclosures for operating leases under Accounting Standard 19 – "Accounting for Leases" prescribed by Companies (Accounting Standards) Rules, 2006

The Company has entered into leave & license agreements for taking office premises along with furniture & fixtures as applicable and godown premises on rental basis for a period ranging from 11 to 72 months. The specified disclosure in respect of these agreements is given below:

	Year Ended 31-03-2014 Rupees	Year Ended 31-03-2013 Rupees
1. Lease payments recognised in the Statement of Profit and Loss	13,462,672	12,666,797
2. Sublease payments received recognised in the Statement of Profit & Loss	750,000	600,000

Note:-

- i. The company has given refundable, interest free security deposits under certain agreements.
- ii. Certain agreements contain a provision for their renewal



30. Employee Benefits

Disclosures required as per Accounting Standard AS-15 (revised) – "Employee Benefits" prescribed by Companies (Accounting Standards) Rules, 2006 in respect of Gratuity are as under:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

		As at/ For the year ended 31 st March 2014 Rupees	As at/ For the year ended 31 st March 2013 Rupees
A	Net liability / (surplus) recognised in the Balance Sheet as at 31st March		
	Present value of funded obligation	5,509,917	4,795,374
	Fair value of plan assets	8,207,333	7,479,088
	Present value of unfunded obligation	-	-
	Net liability /(surplus)	(2,697,416)	(2,683,714)
B	Expense recognised in the Statement of Profit and Loss for the year		
	Current service cost	676,480	628,776
	Interest on obligation	394,209	326,100
	Expected return on plan assets	(685,714)	(580,106)
	Net actuarial losses (gains) recognised in the year	(276,829)	130,598
	Total included in employee benefit expense	108,146	505,368
	Actual return on Plan assets	698,129	577,597
C	Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
	Opening defined benefit obligation	4,795,374	3,960,523
	Service Cost	676,480	628,776
	Interest Cost	394,209	326,100
	Actuarial losses /(gains)	(264,414)	128,089
	Benefits paid	(91,732)	(248,114)
	Closing defined benefit obligation	5,509,917	4,795,374
D	Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:		
	Opening fair value of plan assets	7,479,088	5,778,422
	Adjustment	-	(18,817)
	Expected return	685,714	580,106



	Actuarial gains / (losses)	12,415	(2,509)			
	Contributions by Employer	121,848	1,390,000			
	Benefits paid	(91,732)	(248,114)			
	Closing balance of fair value of plan assets	8,207,333	7,479,088			
E	Major categories of plan assets as a percentage of total plan assets:					
	Qualifying insurance policy with LIC	100%	100%			
F	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):					
	Discount rate	9.00%	8.30%			
	Expected return on plan assets	9.15%	9.15%			
	Annual increase in salary costs*	5.00%	5.00%			
	Notes:					
1	* The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.					
2	Defined Contribution Plans	Year ended 31st March, 2014 Rupees	Year ended 31st March, 2013 Rupees			
	Amount recognized as an expense and included in Note 21 of Statement of Profit & Loss.	3,384,437	3,427,798			
3	Employee Benefit disclosure :					
		As at 31-03-2014 Rupees	As at 31-03-2013 Rupees	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
	Present value of the defined benefit obligation	5,509,917	4,795,374	3,960,522	4,902,901	3,854,342
	Fair value of the plan assets	8,207,333	7,479,088	5,778,422	3,271,839	1,878,563
	Deficit/(Surplus) in the plan	(2,697,146)	(2,683,714)	(1,817,900)	1,631,062	1,975,779
	Experience adjustments on plan liabilities	172,513	24,112	(1,674,771)	-	-
	Experience adjustments on plan assets	(12,415)	2,509	-	-	-
4	Overall expected rate of return on assets taken is the rate declared by LIC.					

31. Segment Reporting

The Company is engaged primarily in the business of Financing and accordingly there are no separate reportable segments as per Accounting Standard 17 – “Segment Reporting” prescribed by Companies (Accounting Standards) Rules, 2006



32. Related Party Disclosures

Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures", prescribed by Companies (Accounting Standards) Rules, 2006

List of related parties and relationships:

Subsidiary : MAS Rural Housing & Mortgage Finance Ltd.
 Key Management Personnel : Mr. Kamlesh C. Gandhi (Managing Director)
 Mr. Mukesh C. Gandhi (Whole-time Director)

Related party transactions:

Sr. No.	Nature of transactions	Year ended 31 st March 2014 Rupees	Year ended 31 st March 2013 Rupees
1	Interest Income:		
	MAS Rural Housing & Mortgage Finance Ltd.	864,768	2,902,738
2	Rent Income:		
	MAS Rural Housing & Mortgage Finance Ltd.	750,000	600,000
3	Inter-Corporate Deposit given to:		
	MAS Rural Housing & Mortgage Finance Ltd.	71,000,000	122,000,000
4	Inter-Corporate Deposit repaid by:		
	MAS Rural Housing & Mortgage Finance Ltd.	73,000,000	120,000,000
5	Advances given to:		
	MAS Rural Housing & Mortgage Finance Ltd.	5,672,794	2,462,628
6	Advances repaid by:		
	MAS Rural Housing & Mortgage Finance Ltd.	5,672,794	2,462,628
7	Advances received from:		
	MAS Rural Housing & Mortgage Finance Ltd.	2,017,988	114,271
8	Advances repaid to:		
	MAS Rural Housing & Mortgage Finance Ltd.	2,017,988	114,271
9	Remuneration paid:		
	Mr. Kamlesh C. Gandhi	15,917,094	11,537,762
	Mr. Mukesh C. Gandhi	15,804,828	11,457,644
10	Guarantee given:		
	MAS Rural Housing & Mortgage Finance Ltd.	670,000,000	120,000,000
11	Guarantee outstanding as at year end:		
	MAS Rural Housing & Mortgage Finance Ltd.	464,158,945	97,678,625
12	Outstanding receivables as at year end:		
	MAS Rural Housing & Mortgage Finance Ltd. – Deposit	-	2,000,000
13	Investment outstanding as at year end:		
	MAS Rural Housing & Mortgage Finance Ltd.	107,500,000	107,500,000

33. The Company has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. In view of this, information required under section 22 of MSMED Act, 2006 to that extent is not given.



34. Balances of trade payables and loans and advances are subject to confirmation. Adjustments, if any required, will be made on settlement of the account of the parties.
35. The disclosures required in terms of Paragraph 13 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are given in Annexure A forming part of these Financial Statements.
36. Amounts remitted in foreign currency during the year on account of dividend

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
	Rupees	Rupees
Amount of dividend remitted in foreign currency		
Dividend for F.Y. 2012-13	30,429,763	30,429,763
Interim Dividend for F.Y. 2013-14	24,778,522	-
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of Compulsorily Convertible Cumulative Preference Shares held by them on which dividend was due	43,471,090	43,471,090
Year to which the dividend relates	2012-13 2013-14	2011-12 -

37. Expenditure in Foreign Currency

	Year ended 31 st March, 2014	Year ended 31 st March, 2013
	Rupees	Rupees
Interest Paid	64,974,000	41,444,427

38. Previous Year's Figures

Previous year figures have been regrouped / reclassified to conform to the current year's classification.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah



Gaurav J. Shah
Partner

Deepika
Deepika Sharma
(Company Secretary)

For and on behalf of Board of Directors

Kamlesh C. Gandhi

Kamlesh C. Gandhi
(Chairman & Managing Director)

Mukesh C. Gandhi

Mukesh C. Gandhi
(Whole Time Director)

Place: Ahmedabad.
Date : 28th May, 2014

Place: Ahmedabad
Date : 28th May, 2014.

ANNEXURE A (Forming part of the financial statements)

Notes to the Balance Sheet

Information as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Particulars		(Rs.In Lakhs)	
		Year ended 31 st March 2014	
<u>Liabilities side :</u>			
(1)	Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured (other than falling within the meaning of Public deposits*)	4,998.00	NIL
	(b) Deferred Credits	NIL	NIL
	(c)] Term Loans	12,625.67	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans:		
	From Banks	55,009.33	NIL
	From a Company	NIL	NIL
	Security Deposits	17,609.15	NIL
*Please see note 1 Below			
<u>Assets side:</u>			
		Amount Outstanding	
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]		
	(a) Secured	56,301.19	
	(b) Unsecured	29,460.03	
(3)	Break up of leased Assets and stock on hire and other assets counting towards AFC Activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	NIL	
	(b) Operating lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	NIL	
	(b) Repossessed Assets	NIL	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been Repossessed	NIL	
	(b) Loans other than (a) above	NIL	
(4)	Break-up of Investments :		
	<u>Current investments :</u>		
	1. <u>Quoted :</u>		
	(i) Shares :		
	(a) Equity	NIL	
	(b) Preference	NIL	
	(ii) Debentures and Bonds	NIL	
	(iii) Units of mutual funds	NIL	

ANNEXURE A (Forming part of the financial statements)

Notes to the Balance Sheet

(iv)	Government Securities	NIL
(v)	Others (please specify)	NIL

2. Unquoted :

(i)	Shares :	(a) Equity	NIL
		(b) Preference	NIL
(ii)	Debentures and Bonds		NIL
(iii)	Units of mutual funds		NIL
(iv)	Government Securities		NIL
(v)	Others (please specify)		NIL

Long Term Investments :

1. Quoted :

(i)	Shares :	(a) Equity	0.63
		(b) Preference	NIL
(ii)	Debentures and Bonds		NIL
(iii)	Units of mutual funds		NIL
(iv)	Government Securities		7.61
(v)	Others (please specify)		NIL

2. Unquoted :

(i)	Shares :	(a) Equity	1075.07
		(b) Preference	NIL
(ii)	Debentures and Bonds		NIL
(iii)	Units of mutual funds		NIL
(iv)	Government Securities		NIL
(v)	Others (please specify)		NIL

- (5) Borrower group-wise classification of assets financed as in (2) and (3) above:
Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related Parties	56,301.19	29,460.03	85761.22
Total	56,301.19	29,460.03	85761.22

ANNEXURE A (Forming part of the financial statements)

Notes to the Balance Sheet

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

Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	1253.77	1,075.00
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties **	12.56	8.31
Total	1266.33	1,083.31

** As per Accounting Standard of ICAI (Please see Note 3)

- (7) Other information

	Particulars	Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	1511.93
(ii)	Net Non-Performing Assets	
	(a) Related parties	NIL
	(b) Other than related parties	1221.89
(iii)	Assets acquired in satisfaction of debt	60.61

Notes:

- As defined in paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms are applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI 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 should be disclosed irrespective of whether they are classified as long term or current in (4) above.

ANNEXURE B (Forming part of the financial statements)

Notes to the Balance Sheet

Disclosure as required in terms of Paragraph 5 of Reserve Bank of India Circular No. RBI 2008-09/116 DNBS (PD) CC. No. 125/03.05.002/2008-09 as regards capital adequacy, liquidity and disclosure norms

CRAR (Capital to Risk Asset Ratio)

	Items	Current Year	Previous Year
i)	CRAR (%)	19.35	21.97
ii)	CRAR – Tier I Capital (%)	13.38	14.28
iii)	CRAR – Tier II Capital (%)	5.97	7.69

Exposures

Exposure to Real Estate Sector

	Category	Current Year	Previous Year
a)	Direct exposure		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower of that is rented; (Individual housing loans up to Rs. 15 lakh may be shown separately)	Nil	Nil
	(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 would also include non-fund based (NFB) limits;	Nil	Nil
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential,	Nil	Nil
	b. Commercial Real Estate.	Nil	Nil
b)	Indirect exposure		
	Fund bases and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

ANNEXURE B (Forming part of the financial statements)

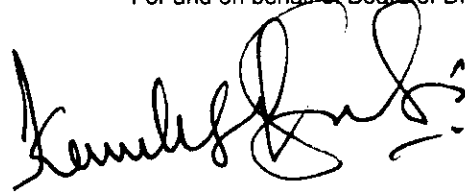
Notes to the Balance Sheet

Asset Liability Management

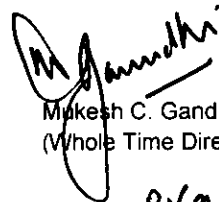
Maturity pattern of certain items of assets and liabilities

	(Rs. 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 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks (including NCDs)	4.69	4.71	4.72	14.23	24.67	52.40	0.00	0.00	105.42
Market Borrowings	0.42	0.42	1.67	2.50	5.00	10.83	0.00	0.00	20.84
Assets									
Advances	78.28	43.96	44.18	134.89	249.61	275.27	10.91	0.24	837.34
Investments	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.08

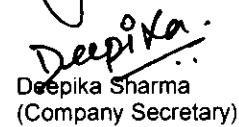
For and on behalf of Board of Directors



Kamlesh C. Gandhi
(Chairman & Managing Director)



Mukesh C. Gandhi
(Whole Time Director)



Deepika Sharma
(Company Secretary)

Place: Ahmedabad.

Date : 28th May 2014.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT 1956

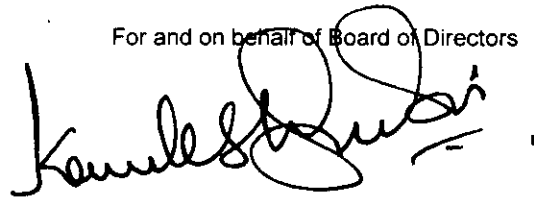
I.	Registration details	
	Registration No. :	26064
	State Code :	04
	Balance Sheet Date :	31 ST MARCH 2014
II.	Capital raised during the year	(Amount Rs. In Thousands)
	Public Issue :	NIL
	Right Issue :	NIL
	Bonus Issue :	NIL
	Private Placement :	NIL
III.	Position of Mobilisation and Deployment of Funds	(Amount Rs. In Thousands)
	Total Liabilities :	10730453
	Total Assets :	10730453
	Sources of Funds	
	Paid-Up Capital :	594712
	Reserve & Surplus :	557346
	Deferred Subsidy :	83
	Non-current Liabilities :	2176120
	Current Liabilities :	7402192
	Deferred Tax Liability :	NIL
	Application of Funds	
	Net Fixed Assets :	57780
	Investments :	108331
	Deferred Tax Assets :	11365
	Current Assets :	7591683
	Non-current Assets :	2961294
	Accumulated Losses :	NIL
IV.	Performance of the Company	(Amount Rs. In Thousands)
	Total Income :	1774034
	Total Expenditure :	1298633
	Profit Before Tax :	475400
	Profit After Tax :	310578
	Earnings per share (Rs.) :	17.36
	Dividend Rate (%) on Equity Shares :	35.00

V.

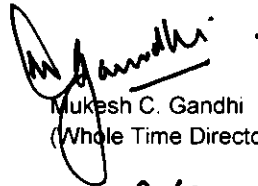
**Generic Names of Principal
Products/Services of the Company (as per
monetary terms)** :

Item Code No. : Not Applicable
Product description : Loans under Loans cum
Hypothecation Agreements.

For and on behalf of Board of Directors



Kamlesh C. Gandhi
(Chairman & Managing Director)



Mukesh C. Gandhi
(Whole Time Director)



Deepika Sharma
(Company Secretary)

Place: Ahmedabad.

Date : 28th May '2014.